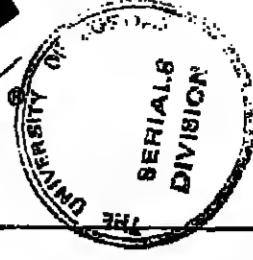


Meets the

# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Tuesday May 3, 1994



No. 34,578



Nelson Mandela dancing with his ANC supporters Monday night in Johannesburg before delivering his election victory speech.

## America's Asia-Pacific Chorus Sours

By David E. Sanger  
New York Times Service

HONG KONG — When President Bill Clinton first described his vision of a new "Pacific community" last summer, in which the United States would engage Asia more vigorously and creatively than at any time since World War II, most of the region's leaders embraced the idea as a long-overdue shift from what they saw as Washington's Eurocentric view of the world.

But in recent months the enthusiastic talk of harmony, which reached a crescendo when Mr. Clinton gathered Asian leaders at a summit meeting in Seattle, has suddenly given way to a broad chorus of criticism aimed at the administration.

On topics as diverse as trade policy with Japan, human rights and the possible cutting of

an American teenager in Singapore, leaders from Canberra to Tokyo are voicing similar critiques. They say Washington's approach has been arrogant, that the "community" it has in mind is built in America's image rather than in Asia's, and that it is chiefly interested in imposing its own rules.

Many of the criticisms are self-interested, and some come from countries that insist the region needs a stabilizing military presence from the United States even while rejecting its political influence. But a result is that many of the administration's policies have been subtly undercut by some of its closest Asian allies.

"There has been a very sharp change of tone in recent months," said a senior South Korean official who deals regularly with high-level Clinton administration officials. "There is a

sense that America's approach to Asia has been very high-handed, too much preaching about human rights and too much of a Mickey Kantor approach on trade that may score a few points in the short term, but hurt the U.S. role in the Pacific for a long time." Mr. Kantor is the U.S. trade representative.

Since the Seattle meeting, Mr. Clinton's Asian policy has been driven by three goals: opening Japan's markets, brandishing trade threats to force China to respect human rights and insisting that North Korea will never be permitted to become a nuclear power.

But its policies on Japan and China have been under daily attack throughout the region, one of the reasons the administration is being forced to back off and rethink its strategy. And

See ASIA, Page 4

## Mandela Claims Victory: South Africa 'Free at Last'

By William Claiborne  
Washington Post Service

JOHANNESBURG — Judge Johann Krieger casually uses the word "breakdown" to describe the election he is running.

He concedes that many ballots never left the warehouse, that polling places failed to open, that ballot boxes were stuffed "to a significant degree," that voting places often had no impartial monitors and that some election officials were partisan, if not crooked.

But there is no doubt in South Africa that within a few days he will baptize the new democracy by pronouncing the required four-word benediction—"substantially free and fair"—over the results.

"From the outset the commission had no illusions that it could mount a really efficient election," the judge said Monday during an intermission from the crises that still beset the counting of votes. "It is an African-style election. It is not to be measured by European or North American standards. What we're trying to do is put together a credible test of the will of the people."

In the end, he said, it is less important whether the election was really free and fair than whether people accept the outcome as a national verdict on their future.

Judge Krieger, 63, is a former trial lawyer and human rights advocate with a reputation for fierce independence, dry wit, flashes of arrogance and, in his work on the appeals court, a somewhat greater devotion to the spirit of the law than its letter.

"If it is manifest in a given situation that the rules ought to be stretched because that would do justice, yes, that's my approach," he said Monday in his office at the Independent Electoral Commission. "And I've applied it here."

To his critics, who have proliferated during the chaos of voting and counting, Judge Krieger is an imperious figure and a bad manager. The voting confusion has probably not enhanced his prospects for an appointment to the new constitutional court, although lawyers say he remains one of the top candidates.

Foreign observers and some candidates say that in his determination to validate the

election he has blinked at irregularities that did not affect the overall outcome but could have cost smaller parties seats in the new Parliament.

"It was just chaotic from the word go," fumed Tony Leon, a leader of the liberal Democratic Party. "The things that could have gone wrong with this election didn't—violence, murder, mayhem," he added. "But then to be let down by a process that was so Fifth World is a disgrace."

Dennis Davis, a law professor who helped draft the charter under which the election is taking place, said he was worried that the commission's failure to prevent rampant abuse in the embattled Zulu province, KwaZulu-Natal, could encourage the losers to reject the result and resume their 10-year violent partisan conflict.

Almost everyone acknowledges that Judge Krieger took on one of the most impossible assignments in the history of elections: four months to organize an election in a country where three-fourths of the population had never voted, with no voter roll, with any voter free to vote anywhere, and with no reliable census to tell the commission where to send ballots.

To satisfy the national pride—and the black suspicion of the existing government—the commission was forbidden from depending on foreign organizations or the ministry that handled past elections.

Many polling places were up unpaved roads in villages without telephones or electricity. Anyone hired to monitor the election was "likely to be the second cousin of the presiding officer and the son-in-law of the local chief," Judge Krieger said.

Halfway into the assignment, the rules were changed to include separate ballots for national and provincial legislatures, requiring that the floor plan of every polling place be redesigned.

Then a week from the end, after 80 million ballots had been printed, the Inkatha Freedom Party decided to participate, requiring that gummed stickers be added by hand at the bottom of each ballot.

The voting became a giant improvisation. When ballot boxes got full because of unex-

See RELIEF, Page 4

## A Graying Holland Votes, Fearing Welfare's Future

By William Drozdiak  
Washington Post Service

THE HAGUE — After years of trying to cope with the social and political repercussions of a "baby boom" followed by a "birth dearth," the Netherlands is now confronting a new kind of social uprising that might be called "the granny revolution."

As 11 million Dutch voters prepare to go to the polls in national elections Tuesday, a sense of alarm is spreading, especially among the elderly, over the fate of an elaborate welfare and pension system that is regarded as perhaps the most generous in all of Europe.

Fearful of rising crime and lower living standards, 15,000 elderly men and women marched in Eindhoven last month to demonstrate their political clout and to warn the governing Christian Democrats and other mainstream parties to leave their pensions alone.

The revolt of old people in the '90s could have the kind of political impact that a rebellion of young people had in the '60s," said Ed van Thijn, a former mayor of Amsterdam who is now interior minister. "While young people are against the consumer society and conservatism, old people are starting to fight for the state to uphold their living standards and security needs."

Jet Nijhuis, leader of the General Old Peoples' Union, which along with another elderly persons party hopes to win at least six seats in the 150-seat lower house of parliament, said the political awakening of the elderly was rapidly gathering momentum in Europe.

This is a broad phenomenon, and not just a

Dutch one," the party leader said. "In 20 years the baby boomers in Europe will be 65, so all of the problems we have now are just going to get worse. We want politicians to start thinking about the long term."

Even more than other West European countries, the Netherlands now confronts critical decisions about the future structure of its society.

With people living longer, having fewer children and finding fewer jobs in the course of Europe's worst recession since the war, social welfare costs have soared in a country that remains proud of its reputation as a progressive social laboratory.

Because of their liberal approach to sick leave, disability allowances and retirement pensions, the Dutch are now spending almost \$10 billion a year on health and social security costs, or about 10 times what they pay for defense.

Faced with a potentially disastrous situation in which the number of people receiving benefits from the state will soon outstrip the number of those who work, the Christian Democrat-led government of Prime Minister Ruud Lubbers has been striving to rein in the ballooning cost of entitlements.

But the government's attempts to freeze pensions and divert funds to create jobs for young people has triggered a rebellion among the elderly that promises to shake up the political landscape and possibly drive the Christian Democrats out of power for the first time in 15 years.

See DUTCH, Page 4



GAIT-KEEPER — A cosack pointing his lance at a car as he asked for identification documents in St. Petersburg. The mounted patrols have been organized in an attempt to deter criminal activity, which has been increasing in and around the Russian city.

## Hatred Rends Asunder Israeli Lovers, Arab and Jew

By Clyde Haberman  
New York Times Service

YAFIA, Israel — This is a story of two families thrust unexpectedly together and forced to navigate deep religious and ethnic divides.

It is about anger and fear, mistrust and resentment, abiding conflict and sudden death. It is a love story.

It is about an Arab man and a Jewish woman, both Israelis, who quietly conducted a year-long courtship and then were married a month ago in a Muslim ceremony, soon after she had converted to Islam. Only a few days after their marriage, Adel and Ahuva Cohen Onallah were torn apart forever.

On April 6, a West Bank Arab on a suicide mission for a militant Islamic group, blew himself up beside a bus in Afula, 10 kilometers south of this Israeli Arab village near Nazareth.

The explosion killed seven Israelis instantly, including an Arab woman, and wounded 44 others in the worst terrorist incident inside Israel in five years. One of the more seriously wounded was Ahuva Cohen Onallah, 37, who lingered for three weeks and died a week ago.

As the pain ended for her, it began for those she left behind. They include her new husband, a former husband, three children, aging parents, four brothers, one sister and a country that sought through its popular press to frame her life and death against the relentless struggle

between Arab and Jew that grips this land even as it strives for reconciliation.

The disconsolate new husband, Adel Onallah, saw nothing cosmic about the relationship.

They met six years ago while both worked at a bank in Nazareth, she a clerk and he a computer instructor. Ahuva Cohen was still in her first marriage, but unhappily so. Finally, she walked out on it—and on two embittered daughters and a son—and found comfort with Mr. Onallah, two years her junior and eight years apart in background.

He simply loved her, he says, and then he lost her.

"I was doubly hit," Mr. Onallah said. "My

wife was killed, and she was killed by my own people."

For Mrs. Onallah's Orthodox Jewish family, which had not been close to her in recent years, the bomb blast exposed facts that its members had known either dimly or not at all—her romance with an Arab, her decision to adopt his religion for the sake of children they might have and the fact that she was already pregnant.

Through much of the week, they were cast in an unfaltering light.

This is a period when the Jews and Arabs of Israel and its territories are supposed to be coming to terms in new ways with each other. It

See LOVE, Page 4

## Old Soviet Bear Hug Appears to Find the Kiss of Life

By Fred Hiatt  
Washington Post Service

MOSCOW — The collapse of the Communist East Bloc brought joy to some and misery to others, but it produced one change that seemed everyone could cheer: the demise of the Kremlin kiss.

No longer would our breakfasts be upset by photos of Comme bigwigs nuzzling each other's five-o'clock shadows and smacking each other on the lips. No longer would general secretaries humiliates U.S. presidents by folding them into bear hugs after signing arms-control pacts. No more dodging

diplomatic snarls hanging on in the Baltics, a highly placed spy in Washington, the sabotage of NATO policy in Serbia — O.K., the West can live with that. After all, everyone has a few unattractive qualities. But if the wet Kremlin kiss is really making a comeback, surely the bad old days cannot be far behind.

And Leonid Parfyonov, a popular television host who wrote a book about the odd ways of Soviet leaders, confirmed that kissing had roared back into fashion at the upper levels of Russian politics.

Suddenly, all the dire warnings about the Russian bear snarling back to life seem more credible. A few thousand

Russian troops hanging on in the Baltics, a highly placed spy in Washington, the sabotage of NATO policy in Serbia — O.K., the West can live with that. After all, everyone has a few unattractive qualities. But if the wet Kremlin kiss is really making a comeback, surely the bad old days cannot be far behind.

A Yeltsin spokesman, quizzed about this latest development during a recent telephone interview, immediately tried to pass the buck.

"Somebody came up and smacked him," insisted Anatoli Krasikov, refusing to name the guilty party who made the first

See KISS, Page 4

## 4 Sentenced in Attack on Olympian

BERLIN (Reuters) — Four East German neo-Nazis involved in beating up a neo-Nazi athlete in a racist attack in October Olympic athlete in a racist attack in October were sentenced by a German court Monday.

One youth was given a six-month jail sentence converted to probation, two others were given fines totaling 1,400 Deutsche marks (\$850) and the fourth was ordered to perform 40 hours of community service.

Related article, Page 2

Page 7, Crossword

Page 24

Newsstand Prices	
Andorra	9.00 FF
Antilles	11.20 FF
Cameroon	1,400 CFA
Egypt	E.P. 5,000
France	9.00 FF
Gabon	950 CFA
Greece	2,400 Dr.
Italy	1,120 CFA
Ivory Coast	1,400 CFA
Jordan	1 JD
Lebanon	USS 1.50

Dow Jones	
Up 19.33	Up 0.04%
370.02	11243
The Dollar	
Mon. close 1,8474	previous close 1,8535
DM 1,5185	1,519
Pound 101,835	101,80
Yen 5,641	5,6559
FF	

## A New Flash Point in Bosnia

### French Want to Make Corridor a Safe Area

By Barry James

*International Herald Tribune*  
PARIS — Foreign Minister Alain Juppé of France proposed Monday that the United Nations protection zone in the former Yugoslavia be extended to a narrow corridor in northeastern Bosnia linking the two main areas held by the Bosnian Serbs.

"I personally favor extending the protection that exists for the safe havens to this extremely sensitive zone," Mr. Juppé said.

He said it should be made clear that "the first artillery shell fired will lead to immediate retaliation by the Atlantic Alliance."

French military officials said Muslim forces were massing in the area north of the Tuzla pocket in Bosnia-Herzegovina, close to the strategic Bosnian Serbian town of Brcko.

The officials, who spoke on condition of anonymity, said they had evidence to suggest that an attack would be launched by the Muslims.

Although the corridor traditionally has been occupied by Serbs and Croats, and the Muslims have no interest in holding the land, it is the Bosnian Serbs' weakest position and therefore a useful bargaining chip. They said it could be the last big battle of the war in what was once Yugoslavia.

The officials said the Muslim forces on the ground were about as numerous as the Bosnian Serbs, but that they lacked heavy weapons. They suggested that the Muslims may be getting small arms and other weapons from Eastern Europe with U.S. connivance.

"When the war is over, we may find out the truth about this," one said.



days, they said, the number of people killed in the former Yugoslavia is less than in a large American city like Detroit.

They said that although it might be temporarily satisfying to punish the Serbs by bombing them, this strategy would not lead to peace. The only action authorized by the Security Council, they added, was close air support for specific aims.

"If you go against the Serbs you will have a war to the finish," a senior official said. "Those who want to use force have no answer to the question of what they will do if large numbers of UN troops are taken prisoner."

At the same time, the official said, while the Bosnian Serbs clearly were the aggressors, "no one is looking at what the Muslims are doing."

The Americans have from the beginning been encouraging the Muslims to expect outside help, while the Russians are playing their cards with the Serbs," he said. "The Croats and the Muslims play with these contradictions."

The French officials said the amount of disinformation coming out of the Muslim side was "formidable."

#### ■ Reports of Buildup

Tension increased in northern Bosnia on Monday, with both Muslim and Serbian media reporting a military buildup near Brcko. Reuters reported from Sarajevo.

Muslim-controlled Sarajevo radio said Serbian forces were moving equipment and men from Gorazde to Brcko in what it said was the "strongest concentration of combat potential since the beginning of the war."

Bosnian Serbian radio reported Muslim forces massing outside the northern Muslim stronghold of Tuzla, southwest of Brcko.

Commander Eric Chaperon, a UN military spokesman in Sarajevo, acknowledged the reports of a buildup but said the area was calm for the moment.

He said Gorazde was still tense and that there had been fighting on Sunday between Serbian and Muslim forces on the edge of a three-kilometer exclusion zone around the Muslim enclave.

Those officials made it clear that the two top UN officers in the former Yugoslavia, General Bertrand de Laprade of France and Sir Michael Rose of Britain, also had opposed the NATO air strikes.

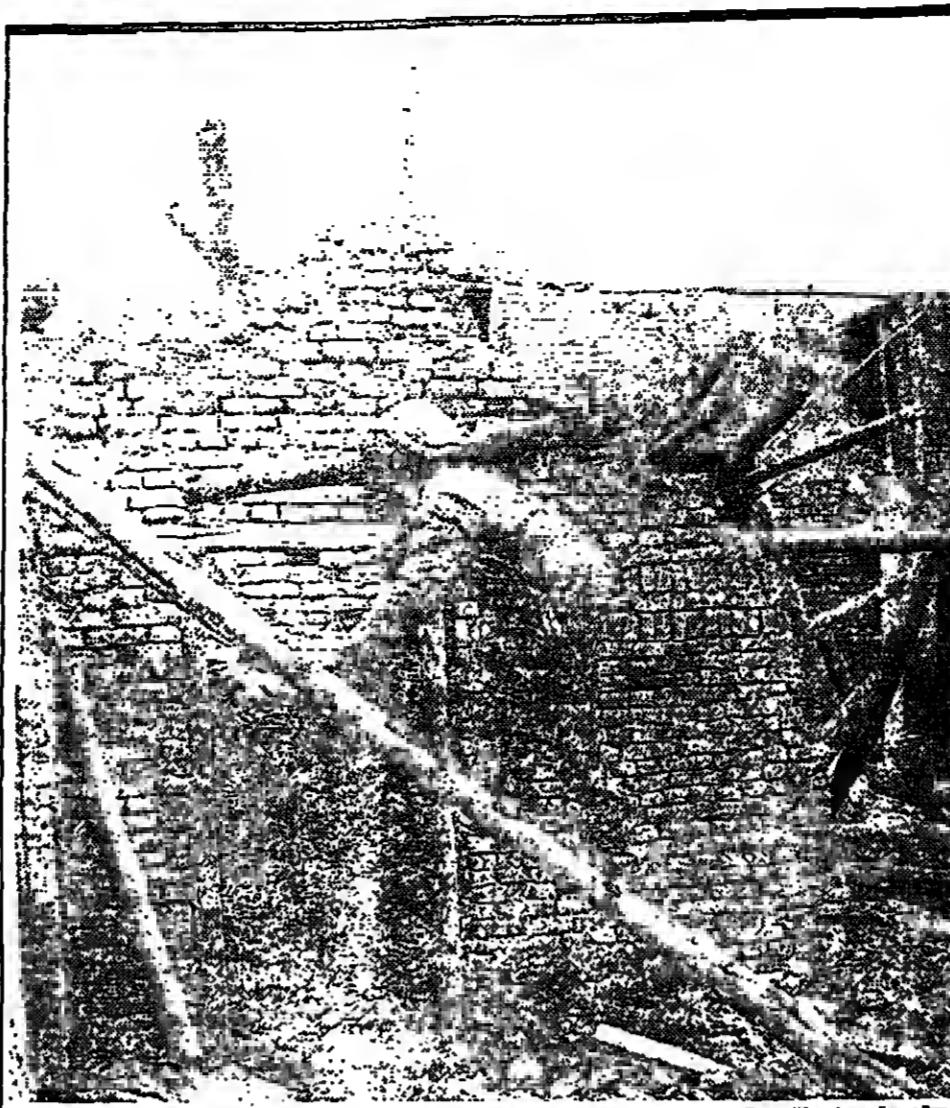
Administration officials complain that Mr. Akashi has shown himself to be too conciliatory toward the Serbs, blocking an immediate renewal of NATO air strikes when they failed to meet a deadline for pulling back from the Muslim safe area of Gorazde.

They also say that he has become overly close to the Bosnian Serbian leader, Radovan Karadzic, claiming that he has developed a personal friendship with him.

The officials argue that it was only the threat of NATO attacks, not Mr. Akashi's diplomacy, that forced the Serbs to pull back first from around Sarajevo and now from Gorazde. They also say that Mr. Akashi is undermining this more forceful strategy by showing reluctance to approve military force.

Also in her letter to Mr. Butros Ghali, Mrs. Albright stressed that it was he who had first requested NATO air strikes in an effort to stop the shelling of Gorazde and that such military action had been specifically authorized by Security Council Resolution S.36 on June 4, 1993.

"In light of the above," she said, "I am writing to protest, in the strongest possible terms, the comments of United Nations officials who report through Special Representative Akashi directly to you. It is not unreasonable for the United States to expect United Nations officials operating under your authority to support publicly and implement as best they can the mandates of the Security Council."



COUNTERATTACK — An Afghan soldier loyal to President Burhanuddin Rabbani climbing a ladder Monday at his Kabul base to fire at mujahidin forces. The base was heavily damaged the day before in an attack by the rebels led by a former Communist, General Abdul Rashid Dostum.

TONY WHALEY/ASSOCIATED PRESS

## UN Chief Backs U.S. In Bosnia Policy Feud

By Paul Lewis  
*New York Times Service*

UNITED NATIONS, New York — The UN secretary-general, Boutros Boutros Ghali, has said he shares the Clinton administration's "concern" over criticism of its policy toward the war in Bosnia-Herzegovina by senior officials of the organization.

In a letter sent Monday to the U.S. envoy to the United Nations, Madeleine K. Albright, the secretary-general said he had told his mediator in the former Yugoslavia, Yasushi Akashi of Japan, to conduct a full inquiry into her complaint and ensure that there were no recurrences.

Mr. Albright had complained in a letter to Mr. Boutros Ghali that Mr. Akashi publicly called the United States "timid" and "afraid" because of its refusal to send ground forces into Bosnia.

She also complained about news reports saying that unnamed senior UN military and civilian officials in Bosnia believed that more NATO air strikes against the Serbs risked turning the Serbian forces against the United Nations and prolonging the war.

On Saturday, a senior military officer and a senior civilian official with the United Nations in Sarajevo said the Bosnian government had greatly exaggerated the damage and casualties in Gorazde in the hope of encouraging NATO to attack the Serbs.

Those officials' comments made it clear that the two top UN officers in the former Yugoslavia, General Bertrand de Laprade of France and Sir Michael Rose of Britain, also had opposed the NATO air strikes.

Administration officials complain that Mr. Akashi has shown himself to be too conciliatory toward the Serbs, blocking an immediate renewal of NATO air strikes when they failed to meet a deadline for pulling back from the Muslim safe area of Gorazde.

They also say that he has become overly close to the Bosnian Serbian leader, Radovan Karadzic, claiming that he has developed a personal friendship with him.

The officials argue that it was only the threat of NATO attacks, not Mr. Akashi's diplomacy, that forced the Serbs to pull back first from around Sarajevo and now from Gorazde. They also say that Mr. Akashi is undermining this more forceful strategy by showing reluctance to approve military force.

Also in her letter to Mr. Boutros Ghali, Mrs. Albright stressed that it was he who had first requested NATO air strikes in an effort to stop the shelling of Gorazde and that such military action had been specifically authorized by Security Council Resolution S.36 on June 4, 1993.

"In light of the above," she said, "I am writing to protest, in the strongest possible terms, the comments of United Nations officials who report through Special Representative Akashi directly to you. It is not unreasonable for the United States to expect United Nations officials operating under your authority to support publicly and implement as best they can the mandates of the Security Council."

## Modernizing U.S. Air Safety

### In Clinton Plan, Controllers Would Form New Entity

By Richard M. Weintraub  
*Washington Post Service*

WASHINGTON — The Clinton administration has decided that the vast network of computers and people who guide 19,000 scheduled airline flights a day across the United States is so bureaucratically encrusted that both safety and efficiency will be threatened unless a new way is found to run it.

An administration proposal to remove the air traffic service from the Federal Aviation Administration and turn it over to a government corporation long sought by the airline industry, will be officially announced this week, according to government sources.

Thousands of aircraft fly at hundreds of miles an hour through crowded skies without bumping into each other in large measure because of 38,000 air traffic controllers, technicians and managers who operate the system's radars and computers.

But despite huge expenditures and a major improvement program dating from 1981, some of those computers run in part on technologically extinct vacuum tubes that only recently could be acquired only from factories in Poland and Czechoslovakia. Others come from China.

The aviation agency's premier project, a multimillion-dollar program to replace its entire aircraft-crash computer system, is so burdened by mismanagement that officials have concluded that it probably never can be completed as presently designed.

According to both the statistics and safety specialists, the air traffic control system is safe today. But the argument for reinventing it insists that, if it is to stay safe and efficient as air travel grows, it must escape the small-like decision-making and procurement that many feel have characterized agency management.

The plan will cut red tape and make it easier to procure the most up-to-date equipment," said Vice President Al Gore. "By improving working conditions through the use of updated equipment, the plan also allows air traffic employees to focus on the business of ensuring safer air travel for everyone."

Not everyone agrees, and when Mr. Gore and Transportation Secretary Federico F. Pena announced their plan to split the agency, it will set off a battle on Capitol Hill, where key congressmen are questioning whether the administration's solution is the safest path to follow.

The aviation community has many more players than the airlines, and they do not all agree on what, if anything, should be done.

Representative James L. Oberstar, Democrat of Minnesota and chairman of the House aviation subcommittee, said, "This is just the wrong course, and it would take years to recover from it. Shake up the agency; don't dismantle it."

Mr. Oberstar said the sheer disruption of massive change to the Federal Aviation Administration that a new corporation would create threatened the excellent safety record.

Mr. Pena said that tinkering around the edges would not fix the

agency. Under the administration's plan 38,000 of the agency's 52,000 employees would go into the government-owned ATC Corp. These would be the controllers who work in the towers and regional radar centers, and the computer specialists, the electricians, mechanics and others who maintain the system.

What's left of the Federal Aviation Administration would continue to be responsible for regulating aviation safety by setting standards for aircraft and aircraft parts and writing the rules for everything from pilot and flight attendant training to airport security to grants for airport improvement.

Initial funding would come from the 10 percent ticket tax all airline passengers pay. An important feature of the plan is that the corporation could borrow money or float bonds rather than await the annual congressional appropriation from the aviation trust fund, which is regularly held hostage to deficit control.

Congressional critics question the administration's funding assumptions. Other critics ask whether a corporation is necessary at all.

"Air traffic control is a natural monopoly, and the only way to protect the public interest is to maintain it as a government function with broad, informed oversight," the Aircraft Owners and Pilots Association told the task force that drew up the proposal. The association, long powerful on Capitol Hill in part because many members of Congress also are private pilots, represents 324,000 general aviation pilots.

The association expressed fears of an increase in taxes and fees accompanying a deterioration in safety and efficiency, especially during a transition period.

The corporation, Mr. Oberstar argues, "is being designed to serve the interests of airlines."

"In hard times," he said, "they may push to cut fees, to cut the number of controllers. That could lead to precariousness for safety."

"Oberstar's argument," Mr. Pena counters, "assumes that the industry will own this corporation. It won't. All the stock will be owned by the government and we think we will actually increase safety because we can bring on technology sooner."

Some controllers bristle at the suggestion safety would suffer. "Why do these people in Congress think I am going to be any less safe under a corporation? That burns me!" said Mark Metwissen, a controller at Detroit.

And the controllers want new equipment as soon as possible.

"I've been here for years and I've never seen anything done in less than three years with regular procurement," said Paul Jester, who is in charge of computer and radar maintenance at the regional air traffic control center at Leesburg, Virginia. "Everything is maxed out in this facility. We are at capacity."

## WORLD BRIEFS

### Clinton Presses Beijing on Rights

WASHINGTON (Reuters) — President Bill Clinton met Zhou Enlai, a deputy prime minister of China, on Monday and told him he wanted to see progress in Beijing's human rights record if relations between the two countries were to be improved, White House officials said.

The White House press secretary, Dee Dee Myers, said that the president told Mr. Zhou that the United States wanted to see a strong and prosperous China.

"The president emphasized that he wants to strengthen our bilateral relationship, but to achieve that goal there needs to be progress on human rights as called for in last year's executive order," Ms. Myers said. Last year, Mr. Clinton issued an executive order that made extension of China's most-favored-nation trade status conditional on "overall significant progress" on human rights issues, including freeing political prisoners and allowing emigration. Mr. Clinton must decide by June 1 whether to extend the trading status.

### Berlusconi Opens Talks on Cabinet

ROME (Reuters) — Silvio Berlusconi began talks Monday on Italy's new government amid a controversy over whether neofascists will join his cabinet and the possible arrest of one of his top business allies.

Mr. Berlusconi, appointed prime minister-designate last week, was meeting labor and business leaders in his first formal consultations on the government's program. The partners in his election-winning coalition were to meet Tuesday, and one of the politicians involved, Roberto Maroni of the federalist Northern League, said cabinet ministers should be known at the end of the day.

Mr. Berlusconi brushed off concern about the presence in his coalition of the National Alliance, formed by the neofascist Italian Social Movement, whose policies were long inspired by the ideals of Mussolini.

### German President Pardons Terrorist

BONN (Reuters) — President Richard von Weizsaecker has pardoned a leftist terrorist who was sentenced to life imprisonment for taking part in a 1975 attack on the German Embassy in Stockholm, a government spokesman said on Monday.

A spokesman for Justice Minister Sabine Leutheusser-Schnarrenberger said the minister had proposed the pardon for Bernhard Römer, a Red Army Faction member who has served 19 years of his sentence. Ms. Leutheusser-Schnarrenberger's spokesman said she had suggested in 1992 that the guerrilla, who is mentally ill, be temporarily released from jail for treatment in a clinic.

In the storming and occupation of Bonn's embassy in Stockholm, several people including embassy staffers were killed in exchange of fire by police and terrorists. Mr. Römer was convicted in 1977 of two murders, kidnapping and attempting to coerce the state.

### Pope's Fever Drops, and He Exercises

ROME (AP) — Pope John Paul II's fever dropped, and he finished a light exercise on Monday, three days after surgery for a fractured thigh.

Dr. Corrado Manni said the pontiff, 73, should be able to get out of bed later this week and stand with assistance. John Paul, who suffered a fracture of his right femur in a fall in his bathroom, had part of the bone replaced with a plastic and metal prosthesis during surgery Friday.

The Pope had a slight fever Sunday, but doctors said that it was normal after surgery. The fever went down Monday, and he did some exercises with his left leg to keep the muscles in tone. Dr. Manni said he is expected to spend at least two weeks in the hospital, then make months of therapy before he will be able to walk without assistance.

### Spain Fraud Suspect Vows to Give Up

MADRID (AP) — A former commander of the Civil Guard who vanished last week as the police prepared to arrest him on corruption charges has pledged to surrender in the next few days, a lawyer reported Monday.

In an interview from his unspecified refuge, the former chief, Luis Roldan, told the daily El Mundo that he intended "to speak in the coming days" before the judge who ordered his arrest and would reveal all about what he called the scandal surrounding him. An arrest warrant was issued for Mr. Roldan on Friday after he failed to attend a Madrid court hearing on Wednesday.

Mr. Roldan is alleged to have embezzled funds while he was in the Civil Guard from 1986 to 1993. But he has insisted that a staggering \$1.5 million increase in his personal wealth during that period was due to inheritance he received in 1993.

### Army Moves to Quell Pakistan Riots

KARACHI, Pakistan (Combined Dispatches) — The army moved into four districts of the southern city of Karachi on Monday after four days of rioting that has killed at least 16 people and injured dozens, officials said.

Armed gangs have burned more than 46 vehicles and set fire to at least two banks. The violence erupted Friday with a protest march by about 3,000 members of the militant People's Refugee Movement, representing Indian Muslims who moved to Pakistan in 1947.

The movement has accused Prime Minister Benazir Bhutto of discriminating against it. It is demanding recognition as Pakistan's fifth ethnic group. Successive governments have refused.

### Cambodian Peace Talks Postponed

PHNOM PENH (Reuters) — Fighting between Khmer Rouge guerrillas and government forces is at a level not seen since 1989, forcing postponement of proposed peace talks senior government and aid officials said Monday.

"The expected roundtable talks with the Khmer Rouge have been suspended," said an adviser to the prime minister, Prince Norodom Ranariddh. The adviser, Muong Sackhan, said the Khmer Rouge leader, Kieu Samphan, had asserted that Phnom Penh was not safe for the Khmer Rouge delegation and that there was no neutral location in the country where the talks could be held.

## TRAVEL UPDATE

### Restored Villa Panels Back in Rome

ROME (AP) — Painted ceiling panels that were part of a Renaissance villa were unveiled Monday back in their original setting after four years of restoration work.

The 22 panels, showing zodiac figures and deities from Roman mythology, were lent by the Metropolitan Museum of Art in New York, which acquired the paintings after they were removed in the mid-19th century.

The paintings were placed back in a loggia that is all that remains of the Villa Stati

# THE AMERICAS / MILLIONAIRES AND DOCTORS

## POLITICAL NOTES

### Nixon's Media Critics Fire Back

WASHINGTON — While most journalists were surprisingly gracious toward Richard Nixon in the days after the former president's death, an anti-Nixon media backlash is gathering force.

"The worst presidency of the century," says this week's issue of the *New Republic*. The magazine offers a two-page anthology of "Nixon-hating" Nasty excerpts ranging from a "phony" (1974) to "Thank God he's gone" (1974).

An article by Jacob Weisberg in this week's *New York Magazine* said the "final irony" of Mr. Nixon's life was "that his mortal enemies in the media largely brushed aside the twin disasters of Vietnam and Watergate to recognize him as one of the 20th century's great statesmen." The cartoonist Garry Trudeau will poke fun at Nixon "revisionism" next week in "Doonesbury."

"I do think the media's supine glorification of this guy was really excessive," said the editor of *New Republic*, Andrew Sullivan. "It's his last laugh. The notion that at this point would throw in the towel seems pathetic."

Mr. Nixon's death on April 22 forced journalists to try to balance his long career and accomplishments against the scandals that forced him to resign 20 years ago. The normal tendency not to speak ill of the recently departed was reinforced by Mr. Nixon's own campaign to rehabilitate his image and the embrace of such former political foes as President Bill Clinton and former senator George McGovern. Mr. Nixon's Democratic opponent in the 1972 presidential campaign.

But the generally respectful tone of the coverage — "Nixon Gets Hero's Farewell" (*Los Angeles Times*); "the most important figure of the postwar era" (*Time*); "the final years may have been Richard Nixon's greatest triumph" (*The Wall Street Journal*) — has caused much grumbling among his detractors in the press. "A friend said to me: 'Is this the same Richard Nixon? Did someone else die?'" Mr. Sullivan said. (AP)

### Travel Office Affair Revisited

WASHINGTON — Government auditors said Monday that the White House had a right to dismiss seven travel office workers without cause, but sharply criticized the manner in which they were forced from the office that arranges presidential and press travel.

The General Accounting Office, while saying the White House had the "legal authority" to dismiss the workers without cause in May, singled out for criticism three individuals involved in the White House travel office affair: Catherine Cornelius, a distant cousin to President Bill Clinton; Harry Thomason, a Hollywood producer and friend of Mr. Clinton's; and Darnell Martens.

The auditors said the three "had potential personal business interests in the travel office operations" and "created the momentum to examine the travel office by raising allegations about the management of the office to White House officials and participating in actions that appeared to anticipate the removal of the employees."

The agency also said that on the basis of a private accounting firm's report there had been "serious financial management weaknesses" in the operation of the office.

The affair, one of the early major flaps that shook up the Clinton White House, involved allegations of cronyism and improper use of the FBI.

Five of the seven staff members were ultimately rehired, but assigned to other government agencies.

(Reuters)

### Quote/Unquote

Justin Dart, former chairman of the President's Committee on the Employment of People with Disabilities, appealing to President Clinton for health care reform: "We are willing to die for our countries but not for our insurance companies. No more excuses. No more exclusion. No more profiteering. No more Band-Aid solutions." (AP)



LEAVING THE LIMO BEHIND — Mr. Clinton pedaling from the White House with his wife, Hillary, and a Secret Service agent. They rode through Georgetown to a Potomac bike path.

## All (Political) Eyes Are on Ohio Senate Race

By Katharine Q. Seelye

*New York Times Service*

PARMA, Ohio — Joel Hyatt, who is running to replace his father-in-law, Howard M. Metzenbaum, in the U.S. Senate, worked his way through a shopping center, shaking hands in the final days before Tuesday's primary election.

The lanky Democratic entrepreneur, who founded a national chain of low-cost legal clinics, repeatedly introduced himself. But he is so well known from his years promoting Hyatt Legal Services on television that most people seem to know him already.

Harry Cudillo, 70, a retired accountant, looks amused after meeting Hyatt. "I'm voting for Boyle," Mr. Cudillo says of the chief Democratic rival, Mary Boyle, as Mr. Hyatt walks away. "She's not as rich as he is."

Score one for Mrs. Boyle and her latest television assault, which has suddenly given shape to this close election race with the clarity of a bumper sticker: "The Senate doesn't need any more millionaire lawyers," she says to the camera. "What it needs is more mom."

The Senate race in Ohio, which has long served as a microcosm for national politics, is particularly significant. For one, there is a nearly equal balance of Republicans and Democrats.

In addition, there is a mix of urban and rural areas and an economic standing that places it near the national average. Moreover, with Mr. Metzenbaum's retirement, the race is being closely watched in Washington as one of a handful that together could imperil the Democrats' majority this fall.

"Washington is sick," Dr. Healy replied. "It needs a doctor."

Later in an interview, Dr. Healy, who has raised over \$2 million more money than anyone else in the race and much of it from doctors, said: "The Senate needs someone from the real world. It has become a homogeneous ruling class."

In addition to Dr. Healy, the Republican candidates include Lieutenant Governor Michael DeWine, state Senator Eugene Werts, and George Rhodes, a businessman.

The Republican race has come down to a contest between Dr. Healy and Mr. DeWine, who is ahead in the polls.

Mr. Metzenbaum, 76, one of the Senate's most liberal members, is leaving after 18 years. Although he stood to the left of mainstream Ohio voters, he earned their respect by fighting for the average consumer — sometimes even against Ohio's important automobile industry — as when he backed higher gasoline mileage standards.

All of the Senate candidates suggest they would carry on his legacy as a fighter, even as they distance themselves from his liberal tradition. Mr. Hyatt, for instance, has staked out a tough position on crime, supporting the death penalty, while Mrs. Boyle does not.

Dr. Healy, whose husband is director of the Cleveland Clinic, has taken up the cudgel against President Bill Clinton's health care proposals, warning that they will reduce Ohio's strong medical tradition to "socialized medicine."

David Sweet, dean of the Levin College of Urban Affairs at Cleveland State University, said he was "greatly troubled" as he watched the candidates on both sides "further their own interests by bashing Washington."

The race has provided a good example of how deep the anti-politician fervor runs.

"On both sides, you have experienced elected officials being challenged by outsiders," Mr. Sweet said. "Will they vote for an outsider with no experience? Or will they come to the voting booth saying, 'I'm not happy, but I want someone who knows how to work within the system'?"

The polls reflect that confusion, with a large percentage of voters undecided.

### Away From Politics

• A female mountain lion suspected of killing and partly eating a woman jogger was treed and shot to death after a weekend hunt in the Auburn State Recreation Area near Sacramento, California.

• Khalid Abdul Muhammad, a U.S. black activist barred from Canada on grounds that he had fraudulently used social-security numbers to secure a loan, addressed about 300 supporters in Toronto by speaker-telephone, the Canadian Press news agency reported. "What a shame for the government of Canada and Jews of Canada," he was quoted as saying, to apply pressure that kept him from appearing in person.

• Safety alarms at a shut-down nuclear reactor in Zion, Illinois, were disabled for four days, a mistake only discovered when technicians began restarting the reactor. The public was not endangered, said a spokesman for Commonwealth Edison Co.

• Police clashed with celebrants at a Mexican

Cinco de Mayo (May 5th) festival in Los Angeles, leaving six officers and at least 12 other people injured. Ten people were arrested in the melee that followed a police decision to cancel a performance because the crowd of 200,000 to 500,000 was pressing too close to the stage.

• Two teenage girls killed a foreign visitor in New Orleans after "befriending" him, luring him to a deserted park near the French Quarter and then trying to rob him, police said. The man was shot while trying to wrest a gun away from one of the girls, a police spokesman said. Police were trying to confirm his identity.

• The space shuttle Endeavour returned to its base in Cape Canaveral, Florida, after a cross-country trip atop a modified jumbo jet. The Boeing 747, with the shuttle bolted on top, landed at Kennedy Space Center three hours after taking off from Little Rock Air Force Base in Arkansas, its last stop en route home from California.

AP, Reuters, AFP

## Singapore's Lee Says Caning Is a Duty

*Reuters*

NEW YORK — Singapore's senior minister, Lee Kuan Yew, said that if the caning of an American teenager, Michael P. Fay, does not go through as planned his country would be shirking its ethical duty.

"If we do not cane him because he is an American, I believe we'll lose our moral authority and our right to govern," Mr. Lee told *Time* magazine in the edition appearing on newsstands Monday.

Mr. Fay, 18, was sentenced last month to six strokes of the cane and four months in jail for spray-painting cars. The case has caught the world's attention as the American awaits a government decision on his plea for clemency.

Mr. Lee questioned how Singapore officials could govern if Mr. Fay were granted a reprieve and not caned.

"Can we then cane any other foreigner or our own people?" he asked. "We'll have to close up shop." He added that while Singaporean justice may be

viewed as reactionary when contrasted with the U.S. system, it remained effective.

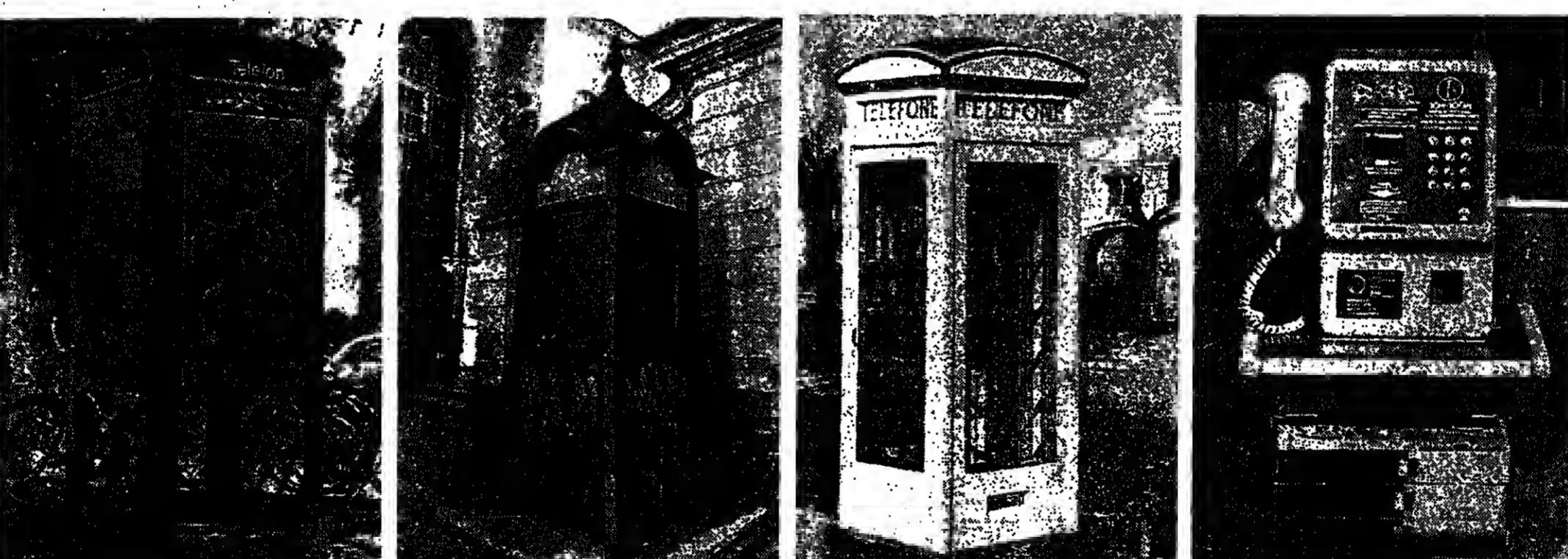
"We don't deal with criminal behavior the way Americans do," Mr. Lee said. "We don't have the concept of 'victim of society.'"

"This concept has led to a situation where if you kill your mother and father, because you were victims, you are not guilty," he said.

In an interview from his home from Dayton, Ohio, Mr. Fay's father, George, said, "All we're asked for is for treatment that is fair and equitable, but they've singled Mike out for caning."

He referred to a May 1993 case reported by the Straits Times, in which two Singaporeans, who smashed the headlights of four cars and poured on paint remover, were charged under the mischief act but no caning was involved.

"Caning in the past has been reserved for hardened criminals or for vandals of government property," he said. "Michael is none of the above."



## NOW YOU CAN TURN ANY PHONE IN THE WORLD INTO A WORLDPHONE™

Be it in a bazaar in Egypt... a hotel room in Buenos Aires... on a street corner in Hong Kong... or even in a friend's home in Greece, you can turn virtually any phone in the world into a WorldPhone.\*

All you need to know is the WorldPhone access number for the country you're in. Dial this access number, and you will get an operator who speaks your language, and economical rates from overseas. And if you're a member of MCI Friends & Family,® you can save an additional 20% off on each call you make to other MCI customers in your Calling Circle® when you use your MCI Card!\*

Call from country to country, or back to the U.S., without intimidation or complications. No language barriers. No currency problems. No outrageous hotel surcharges.

To receive a WorldPhone calling guide, dial the WorldPhone number from the country you're in. See page 2 for the WorldPhone country list.

**WORLDPHONE**  
From MCI

Let It Take You Around The World.

## Some Heavy News About Light Cigarettes

By Philip J. Hiits  
New York Times Service

**WASHINGTON** — Smokers of cigarettes labeled low in tar and nicotine may be getting more of those substances than they think, Federal Trade Commission officials and experts in smoking now agree. And they attribute the problem to testing that has not kept up with the changes in cigarette design over the last 20 years.

Since 1971, when the results of the tests were first printed in cigarette advertising and on packaging, cigarettes labeled low in tar and nicotine have taken over the market. They now account for 60 percent of the cigarettes sold in the United States.

National polls conducted by the Gallup organization have found that smokers believe that the cigarettes labeled "light" are less hazardous and will give them less tar and nicotine. But evidence has accumulated that the measurements, which are carried out by tobacco company laboratories under the supervision of the Federal Trade Commission, bear little or no relation to how much nicotine and tar smokers actually get from smoking.

"The commission has been aware for a while that the test has problems regarding the actual intake that consumers will get," said Judith D. Wilkenfeld, assistant director in the commission's Division of Advertising Practices.

She said the commission was studying alternatives to the tar and nicotine tests, and added that the pressure to make a decision had increased lately.

The Federal Trade Commission cigarette tests are carried out by machines that hold the cigarette and draw air through them in two-second puffs, repeating the puffs once every minute until the cigarette is burned down to the filter.

But cigarettes now include several features that make the machine tests meaningless, according to Dr. Jack E. Henningfield, chief of clinical pharmacology research at the National Institutes on Drug Abuse.

For example, a majority of cigarettes now have tiny, nearly invisible holes in their filter paper, or in the cigarette paper near the filter. When the smoking machine draws on a cigarette, a large amount of air is drawn in, and this dilutes the smoke getting to the measur-

ing device, making cigarettes appear to contain less tar and nicotine.

But smokers do not handle the cigarettes the same way machines do. They find the diluted smoke milder, and to make up for the "lighter" taste, or less satisfying amount of nicotine, they puff more or draw deeper, pulling in more total smoke, so that the result for the smoker is the same amount, or more, of nicotine and tar.

In addition, the tiny filtration holes are often blocked by smokers with their lips or hands, thus cutting off the air that would have diluted the smoke.

Outside experts said that the options for the commission included abandoning the test because it is misleading; trying to establish a better test method, or shifting the testing responsibility to another agency better equipped to carry out the tests, such as the Food and Drug Administration or the National Institutes on Standards and Technology.

Scientific studies over recent years have shown that smokers get about the same amount of nicotine no matter what kind of cigarette.

## Shelters Fill Up as Storm Hits Bangladesh

The Associated Press

**COX'S BAZAR, Bangladesh** — A hurricane that gathered strength over the warm waters of the Bay of Bengal for two days struck the Bangladeshi coast Monday with winds up to 200 kilometers per hour.

There were no immediate reports of casualties from wind-driven rains that reduced visibility to almost zero when the storm lashed the islands of St. Martin's, Shapuri, Maheshkhali and Kutubdia and the coastal towns of Cox's Bazar, Chotorka and Teknaf.

The storm was heading toward the Chittagong region, which was devastated by a similar hurricane in 1991 that killed about 131,000 people.

Enamul Kabir, the administrator of Cox's Bazar, said thousands of mud-and-thatch houses were blown away.

Hundreds of trees and utility poles were uprooted, he said.

More than 350,000 people took refuge in shelters in the Cox's Bazar area, Mr. Kabir said.

Hundreds of thousands of people fled the coast as the hurricane reared through the Bay of Bengal.

Relief boats were used to evacuate some of the 7 million people who live on islands and along the coast.

Inhabitants were taken to 900 brick storm shelters built since 1991 to hold 1 million people.

Relief agencies said people were responding well to evacuation efforts.

In 1991, after several false alarms, most people ignored calls to leave their homes.

Bangladesh suffers from tropical storms, flooding and drought nearly every year.



George Gold/Agefco Photo/MCT

**HANGING IN THERE** — The French defense minister, François Léotard, being hoisted into a helicopter Monday after taking a dive on the nuclear submarine Rubis in the Mediterranean. The Rubis was France's first sub to return to service after a March accident aboard a similar vessel.

## ASIA: Harmony Fades in U.S.-Led Chorus for New 'Pacific Community'

Continued from Page 1

a widespread reluctance to confront North Korea has created a particularly tense challenge for Washington at a moment when the North seems only days away from beginning an effort to harvest additional fuel from its nuclear reactors to bolster its weapons program.

The most surprising opposition has come on trade issues. Almost every Pacific country professes sympathy with Mr. Clinton's complaints about Tokyo's trade surpluses and its slowness in opening its markets. But in recent weeks country after country — from Australia to Malaysia to South Korea — has attacked the U.S. insistence on "numerical targets" or "quantitative indicators" that would measure U.S. market penetration in Japan.

Some join the Japanese in complaining that such agreements undermine free market forces. But the real argument is that political pressure to buy American goods will make it harder for the rest of Asia to sell its wares to the Japanese.

Among the most outspoken critics of the administration's approach is Prime Minister Paul Keating of Australia, who has accused Washington of using a "heavy-headed sledhammer number to crack the nut."

Foreign Minister Gareth Evans of Australia said recently he feared that Australian-made auto parts would be squeezed out of the Japanese market. South Koreans followed with the same complaint about their computer chips. European officials have joined in the criticism, saying their goods are already suffering in Japan because of "Buy American" campaigns.

"They are right," said a senior Japanese trade official. "If we have a choice between buying an American product and one from elsewhere,

political correctness says we should choose America."

But recent evidence suggests that the Clinton administration may be backing away, at least temporarily, from its high-pressure approach.

A few months ago, Mr. Kantor dismissed arguments that the United States should not press Japan's fragile government on market openings, saying nothing would get done for years if Washington waited for the return of political stability in Tokyo.

Now, warned by the U.S. Embassy in Tokyo that the new, minority government of Prime Minister Tsutomu Hata is hardline in a position to negotiate, administration officials are all but giving up hope of progress before the Group of Seven meeting this summer in Naples. Last week, Mr. Kantor delayed by two more months any decision about taking action against Japan for stalled talks on telecommunications and medical equipment.

Similarly, the administration's strategy of linking preferential trade benefits for China with human rights. While stressing the need to press "universal human rights," Mr. Evans said last month that denying the trade benefits to China "would have a very adverse economic impact on the region as a whole, particularly Hong Kong, with flow-on effects for Australia."

In Hong Kong, economic considerations have clearly won out. Last week, Hong Kong's chief secretary, Anson Chan, visited Washington to tell Vice President Al Gore and other officials that the territory's prosperity would be devastated by the withdrawal of trade privileges for China.

"We do not believe trade should be linked with human rights," she said.

Last month, even as the U.S. administration

struggled to back away from its threat to revoke China's most-favored-nation trading status without appearing to abandon its human rights initiative, a former prime minister of Singapore, Lee Kuan Yew, warned that Mr. Clinton was engaging in a "fruitless endeavor" in trying to pressure China. He warned that the United States would "find itself alone in the Pacific" on the issue.

Japanese business executives often portray Japan as China's more reliable partner, saying their own country would never mix business and politics. That is a grim truth for U.S. diplomats in Asia, who point out that Japan holds considerable sway as China's biggest provider of foreign aid, and now its second-largest trading partner.

"This is an issue that the Japanese see a lot differently than we do, and that's been true for some time," said Walter F. Mondale, the U.S. ambassador to Japan.

Even Australia has spoken out against linking preferential trade benefits for China with human rights. While stressing the need to press "universal human rights," Mr. Evans said last month that denying the trade benefits to China "would have a very adverse economic impact on the region as a whole, particularly Hong Kong, with flow-on effects for Australia."

In Hong Kong, economic considerations have clearly won out. Last week, Hong Kong's chief secretary, Anson Chan, visited Washington to tell Vice President Al Gore and other officials that the territory's prosperity would be devastated by the withdrawal of trade privileges for China.

"We do not believe trade should be linked with human rights," she said.

Last month, even as the U.S. administration

## 186 Boat Victims Found in Kenya

Reuters

**MOMBASA, Kenya** — Divers and rescuers have recovered the bodies of 186 people who died when a crowded ferry boat sank on Friday, officials said. The police said earlier that 71 of those aboard the ferry had survived.

The ferry capsized shortly after it left the harborside village of Mtwangi, crowded with rush-hour commuters on a routine trip across the harbor to Mombasa Island.

Officials said it was impossible to say whether any of the bodies had been eaten by sharks, which frequently are seen in the harbor.

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.

"The dear little old ladies who were stocking up tinned food are probably feeling silly at the moment and looking for a market," he said.

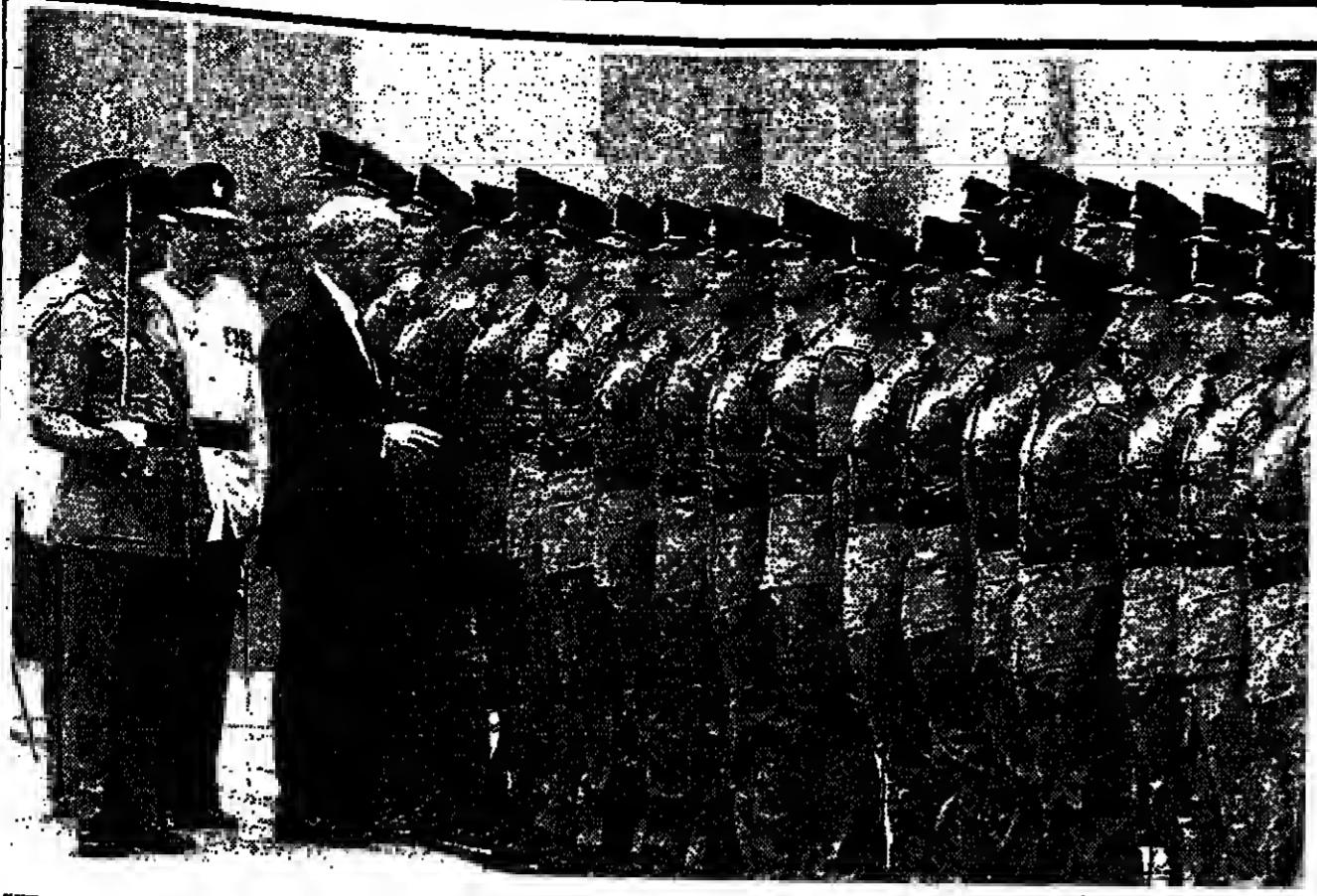
"To affect a national seal to Par-

liament, you need an error of 25,000 votes," he said. "And if a ballot box was stuffed, what have you got? At the most 3,000 papers. If it wasn't very skillfully done,

2,500, even a little less."

The irregularities were trouble-

some, he said, but not nearly enough to make him revoke his post-voting pronouncement that the election had gone "astounding well" and his wife just at the panama among his fellow whites.



HE'S GOT THEIR ATTENTION — Governor Chris Patten marking the 150th anniversary on Monday of the Hong Kong police.

## Jakarta Vows to Rout 'Street Criminals'

By Michael Richardson

*International Herald Tribune*

SINGAPORE — Indonesia has ordered its military to join the police in ridding the capital of suspected law-breakers, another sign that some Asian countries are determined to take tough measures against crime and vandalism despite raising human rights issues in the West.

"Jakarta must be cleared of criminals" before Asia-Pacific leaders, including President Bill Clinton, meet there in November, said the capital's police chief, Major General Mochammad Hidarto.

Some human rights groups are concerned that the operation may lead to rights violations, including the resumption of widespread summary executions.

Indonesian authorities say they will take tough measures against youths found with weapons, illegal drugs, or committing vandalism.

"Educating them is no longer an effective means of bringing down the rate of student brawls or violent

crime here," said a senior Jakarta police officer, Tisna Yoga. "We have no choice but to impose harsh laws."

General Hindarto said the Indonesian armed forces had to "start cleaning up the city and its surrounding area of bandits, thieves and other kinds of street criminals."

But the Legal Aid Foundation in Jakarta criticized the operation, saying that it increases military power, reaches only petty criminals and ignores underlying causes of crime such as unemployment and the stark contrast between rich and poor.

Other civil-liberties and human rights activists in Indonesia are concerned that the operation may become a pretext for arbitrary executions.

In a crackdown in January and February in and around large Indonesian cities, soldiers and police shot and killed at least 18 suspected criminals.

Since the operation began on April 12, more than 700 suspects have been arrested. Three alleged criminals caught in the operation were killed Thursday when they tried to attack guards and escape

from custody, the police said. One of them was wearing handcuffs when he was shot and killed.

Many Jakarta residents, worried about inadequate policing and a rise in violent crime, evidently support the military crackdown.

But the Legal Aid Foundation in Jakarta criticized the operation, saying that it increases military power, reaches only petty criminals and ignores underlying causes of crime such as unemployment and the stark contrast between rich and poor.

Other civil-liberties and human rights activists in Indonesia are concerned that the operation may become a pretext for arbitrary executions.

In a crackdown in January and February in and around large Indonesian cities, soldiers and police shot and killed at least 18 suspected criminals.

Critics say the anti-crime campaigns raise the specter of a return to a long period of mysterious killings in Indonesia in the 1980s, when up to 5,000 known and sus-

pected criminals were executed as soon as they were caught.

Although the security forces were thought to be involved, it was only some years later that the government acknowledged that the campaign, known as operation Petrus, had been official policy.

Referring to Petrus and the current anti-crime drive, The Jakarta Post said Saturday that the questions raised were the same: Who was marked for elimination who made such decisions and who would guarantee that only criminals would be eliminated?

But Major General Hendropriyono, the Jakarta military commander, said he was determined to make Jakarta "the most secure city in the world in the near future."

Critics say the anti-crime campaigns raise the specter of a return to a long period of mysterious killings in Indonesia in the 1980s, when up to 5,000 known and sus-

## Seoul on Alert Over North's Movements

Compiled by Our Staff From Dispatches

SEOUL — President Kim Young Sam ordered South Korea's 650,000-member armed forces on Monday to keep an around-the-clock vigil following unusual military moves by North Korea in recent days.

"The Defense Ministry should be fully prepared to cope with any eventuality, with all the soldiers exercising a 24-hour watchful vigilance," Mr. Kim was quoted by an aide as saying at a meeting of cabinet ministers in security-related departments.

Mr. Kim ordered the alert as the United Nations forces stationed in South Korea accused North Korea of violating the 41-year-old armistice by deploying more soldiers and weapons than permitted at the tense inter-Korean border.

During Monday's security meeting, the first since South Korea named a new unification minister on Saturday, President Kim said North Korea recently withdrew several members of its armistice

about three hours on Saturday when about 20 North Korean aircraft were monitored flying toward Pusan.

The South's Defense Ministry said the North Korean Air Force appeared to be on a regular training exercise, but it was very unusual that it was conducted on a Saturday.

The number, movement and dress of North Korean and UN troops stationed at Pusan, the only crossing point on the inter-Korean border, is strictly prescribed under the armistice agreement.

The UN military command also

said on Monday that it was holding talks with North Korea over renewed calls by the Communist government to scrap the armistice.

North Korea wants to replace the truce with a permanent peace treaty signed directly with the United States.

South Korean officials view that as an effort to cut them out of decision-making on the divided peninsula's future and drive a wedge between Seoul and Washington.

(Reuters, AP)

## 12 Die as Rwanda Church Is Shelled

The Associated Press

NAIROBI — Mortar rounds hit a church crowded with refugees in the Rwandan capital, Kigali, killing 12 people and wounding 113, the United Nations said Monday.

"We are not seeing the unusual North Korean movements of recent days as a sign that they will commit a serious provocation against the South," the spokesman said.

A UN Command spokesman said North Korea, which in recent days has described the armistice that ended the 1950-53 Korean War as "a worthless piece of paper," had increased forces at the Paemunjom truce village at the border to unacceptable levels.

"Early in the evening of April 29, the Korean People's Army for several hours had more men and weapons in the Joint Security Area at Pusan than permitted by the armistice agreement," a UN Command spokesman said.

Tension is always high in the Pusanmun security area, a circle 800 meters (about 870 yards) in diameter. Each side is permitted to have up to 35 military police within the perimeter.

"As with similar violations in the past," the spokesman said, "the UN Command is addressing the issue with the KPA through the Military Armistice Commission channel," the spokesman said.

South Korean armed forces and U.S. troops were put on alert for

before relief workers said the rebels closed the border Saturday.

Officials fear another 250,000 people could flee into Tanzania if the border reopens.

Bradley Guerrant of the World Food Program said relief workers were organizing food distribution

for the refugees, but that it would take a couple of weeks to work out an adequate distribution program.

The World Food Program has 63,800 tons of food for the refugees — enough to feed 1.2 million people for two months — but the first shipments will not arrive for days.

**Suite up-grades  
for weekdays  
and even sweeter  
weekend packages.**

**31 floors of value.**

**THE LANDMARK  
OF BANGKOK**

**S U M M I T  
INTERNATIONAL HOTEL  
AVA**  
139 Sukhumvit Rd, Bangkok, Thailand  
Fax (662) 2534259 Tel (662) 2590404  
Airline Reservation Access Code - XL

## Sleeping in Business Class. A brief history.



The global alliance of KLM and Northwest Airlines introduces World Business Class, a whole new level of service that offers you a better choice of meals, the control of your own personal video system and the



comfort of more personal space... with nearly 50% more legroom and recline. More space than virtually any other world-wide airline. For reservations call your local travel agent, KLM or Northwest Airlines.

## New KLM Northwest World Business Class.<sup>SM</sup>

So good you can sleep through it.

**S. C. Dupont**  
PARIS

Boutique Muscadin

58, AVENUE MONTAIGNE - PARIS 8<sup>e</sup> - TEL: 45.61.08.39  
84, RUE DU FAUBOURG-SAINT-HONORE - PARIS 8<sup>e</sup> - TEL: 42.86.05.33

## A Laboratory for Mideast Peace

### Self-Rule Accord Is a Test, Palestinians Say

By David Hoffman  
*Washington Post Service*

**RAMALLAH, Israeli-Occupied West Bank** — For Sami Qubaj, a computer programmer, the advent of Palestinian self-rule in the Gaza Strip and Jericho looms large, even though it will not come soon to the streets of Ramallah and other major towns in the West Bank.

"It will be a test for us — for the entire Palestinian nation," said Mr. Qubaj, 26. "We have to take up the challenge of those Israelis who said the Palestinians could never govern themselves. We have to prove we can."

When control of the Gaza Strip and the West Bank town of Jericho is transferred to the Palestinians in the next few weeks, it will cover only two small, relatively poor regions, and apply to less than half of the nearly 2 million Palestinians in the territories. But the experiment in self-rule is already the subject of immense curiosity and scrutiny for Palestinians and Israelis.

The reason is that Gaza and Jericho are about to become a laboratory for everything that Prime Minister Yitzhak Rabin and the Palestine Liberation Organization chairman, Yasser Arafat, have struggled to achieve since they shook hands at the White House in September.

At stake in the success or failure of the Gaza-Jericho accord are two concepts that are at the heart of any attempt to ease the enmity between Jews and Palestinians. One is Israel's offer to trade land for peace. The other is the Palestinian desire for a homeland free of occupation.

For Israelis, the evacuation from Gaza and Jericho marks the first time since the 1967 Middle East war that they have ceded territory with a large Arab population close to Tel Aviv in exchange for peace — a far different proposition than relinquishing the Sinai desert to Egypt in the Camp David accords. For the Palestinians, too, it marks the first time in more than a quarter-century that they have taken affairs into their own hands — a far different proposition than waging the six-year *intifada*, or revolt agaist Israeli occupation.

According to Israeli and Palestinian analysts, this grand experiment will take time for both peoples to digest. Although last year's agreement envisioned Palestinians holding elections and extending their control to the remainder of the West Bank by July 13, few now expect the timetable to be met. Some Israelis are calling for a pause of months, or even years, to see how the Gaza-Jericho experiment unfolds.

What lies ahead is a long period of the Palestinians' and Israeli's testing each other. The negotiations over just the Gaza-Jericho pullout took five months longer

than planned. By comparison, the problems of the West Bank are immense, with more than 100 Jewish settlements scattered among 1.2 million Palestinians and 250 roads between the West Bank and Israel.

"It's not a mystery," said Daoud Kuttab, a Palestinian journalist and documentary film producer in Jerusalem. "This whole interim period is a test."

For Israelis, security is paramount. Ori Orr, chairman of the foreign affairs and defense panel in Israel's parliament and a retired general who is close to Mr. Rabin, said: "The big, big if is whether the Palestinians can rule the area. The Palestinian police is not the question. The question is can the PLO take care of education, jobs, refugees and 800,000 people in Gaza."

The agreement will succeed "if the refugee in Jaba'ya sees some kind of light at the end of the tunnel," Mr. Orr said, referring to a Palestinian camp in the self-rule area. But if not, he added, "he can come again with a knife."

If terrorist attacks against Israelis continue, Mr. Orr said, "there will be no solution." Self-rule will remain in Gaza and Jericho only.

For Mr. Rabin, expanding self-rule in the West Bank represents a troublesome political calculation. While there is an overwhelming national consensus in Israel to exit Gaza, the country remains torn over the West Bank.

"Rabin and Peres are burying from Gaza and Jericho," Mr. Orr said. "They are not going to be so rushed about the next step. I don't think Rabin and our government can get the same tempo, in the same speed, as the next step."

Ephraim Sneh, a Labor member of parliament who chairs the subcommittee overseeing the territories, said that "it is not feasible or desirable" to expand Palestinian control immediately to the rest of the West Bank.

Mr. Sneh expressed concern that the new Palestinian authority may fail to attract international aid unless it puts skilled management in place. Palestinian economists have complained lately that nations that pledged assistance have failed to deliver. But others point out that this is because the donors are not satisfied the money will be spent correctly.

"The money will not be allocated to organizations run in the old manner of the PLO in Beirut," Mr. Sneh said. While the Palestinian technocrats are rushed to the remainder of the West Bank by July 13, few now expect the timetable to be met. Some Israelis are calling for a pause of months, or even years, to see how the Gaza-Jericho experiment unfolds.

What lies ahead is a long period of the Palestinians' and Israeli's testing each other. The negotiations over just the Gaza-Jericho pullout took five months longer

than planned. By comparison, the problems of the West Bank are immense, with more than 100 Jewish settlements scattered among 1.2 million Palestinians and 250 roads between the West Bank and Israel.

"It's not a mystery," said Daoud Kuttab, a Palestinian journalist and documentary film producer in Jerusalem. "This whole interim period is a test."

For Israelis, security is paramount. Ori Orr, chairman of the foreign affairs and defense panel in Israel's parliament and a retired general who is close to Mr. Rabin, said: "The big, big if is whether the Palestinians can rule the area. The Palestinian police is not the question. The question is can the PLO take care of education, jobs, refugees and 800,000 people in Gaza."

The agreement will succeed "if the refugee in Jaba'ya sees some kind of light at the end of the tunnel," Mr. Orr said, referring to a Palestinian camp in the self-rule area. But if not, he added, "he can come again with a knife."

If terrorist attacks against Israelis continue, Mr. Orr said, "there will be no solution." Self-rule will remain in Gaza and Jericho only.

For Mr. Rabin, expanding self-rule in the West Bank represents a troublesome political calculation. While there is an overwhelming national consensus in Israel to exit Gaza, the country remains torn over the West Bank.

"Rabin and Peres are burying from Gaza and Jericho," Mr. Orr said. "They are not going to be so rushed about the next step. I don't think Rabin and our government can get the same tempo, in the same speed, as the next step."

Ephraim Sneh, a Labor member of parliament who chairs the subcommittee overseeing the territories, said that "it is not feasible or desirable" to expand Palestinian control immediately to the rest of the West Bank.

Mr. Sneh expressed concern that the new Palestinian authority may fail to attract international aid unless it puts skilled management in place. Palestinian economists have complained lately that nations that pledged assistance have failed to deliver. But others point out that this is because the donors are not satisfied the money will be spent correctly.

"The money will not be allocated to organizations run in the old manner of the PLO in Beirut," Mr. Sneh said. While the Palestinian technocrats are rushed to the remainder of the West Bank by July 13, few now expect the timetable to be met. Some Israelis are calling for a pause of months, or even years, to see how the Gaza-Jericho experiment unfolds.

What lies ahead is a long period of the Palestinians' and Israeli's testing each other. The negotiations over just the Gaza-Jericho pullout took five months longer

### ISRAEL: Army Restricts Use of Force as Pact Nears

Continued from Page 1  
protect the settlements in the Gaza Strip, according to the September peace accord.

The army has already shifted the bulk of equipment in the Gaza Strip since the redeployment began late last year, according to the Israeli press.

But no buildings have been handed over to the new police, and the army remains in charge of all installations.

Mr. Rabin has said the full redeployment of troops could take up to three weeks after the Cairo signing ceremony.

But the army chief of staff, Gen-

eral Ehud Barak, called for accelerated withdrawal.

He said he feared soldiers could be at risk because of a "lack of coordination between the army and the PLO."

An advance party of 1,000 Palestinian policemen will arrive in the occupied Gaza Strip on Thursday, a senior official in the future force said Tuesday.

The contingent, currently based at El Arish in the Sinai Peninsula, will form part of the 9,000-strong police force.

They will enter Gaza from Egypt via the Rafah border crossing. All are members of the Palestine Liber-

ation Army, the PLO's military wing.

Of the 9,000 Palestinian officers, 7,000 will be drawn from PLO troops throughout the Middle East and the balance from the West Bank and Gaza. Some police officers will patrol jointly with Israeli troops those roads used by both Palestinians and Jewish settlers, and others will be posted alongside Israeli at border crossings.

Palestinians suspected of attacking Israelis will be interrogated by Israeli police officers with Palestinian officers present, and Israelis suspected by Palestinians will be interrogated in Israel with a Palestinian police officer present, Israeli says.

(Reuters, AFP, AP)

### RAJ: Families of Princes Feud Over Palaces and Gems

Continued from Page 1  
lifestyle will no longer be available and the people won't have the same respect they used to have."

When the Maharajah of Jaipur, Sawai Man Singh II, visited London in the 1930s, a British newspaper headline bemoaned: "Luckiest Young Man Alive Comes to Britain — Vast Wealth — A Palace — And Two Lovely Wives."

Upon arriving at his Rambagh Palace in Jaipur after her wedding in 1940, the maharajah's third wife, Maharanee Gayatri Devi, described the glowing cream-colored edifice as the "setting for some fabulous and imagined fairy tale."

Her private sitting room was filled with objets d'art, which she detailed in her memoirs: "Small jeweled animals, rose quartz and jade, and curved daggers with white jade hilts carved to look like animal heads with jewels for eyes were displayed in glass cabinets. Jade boxes encrusted with semi-precious stones in floral designs held cigarettes, and heavy crystal bowls held flowers."

But the family that spent its days drinking gimlets on the wide verandas, serving lavish meals at its 80-seat dining table and riding into the forests on tiger shoots, is the maharajah's eldest son and would-be heir to the throne, Bhawani (Bubble) Singh, is recovering from a stroke that he says was at least partially brought on by the family bickering.

To understand how the high have fallen so low, one must examine the uneasy relationship between one of the most poverty-stricken nations in the world and its princely past. While London allowed the royal families to maintain their domains during British rule, the Indian government incorporated their kingdoms into the country after independence in 1947. In 1947, they were allowed to keep their titles, some of their palaces, many of their jewels and were granted monthly allowances called "privy purses."

But, in the early 1970s, Prime Minister Indira Gandhi pursued a constitutional amendment stripping the maharajas, maharanis and nizams of their titles, privy purses and many of their land holdings.

About the same time, the Maharajah of Jaipur died after suffering a heart attack while playing polo in England. He left no will.

At the heart of the Jaipur court battles, as well as other those of dozens of other royal families, is a legal debate over whether the eldest

### KODAK: Buyers Line Up

Continued from Page 1  
industry as the U.S. health care system undergoes reform. The reform of the system is also attracting foreign buyers because they have more experience operating in Europe's price-controlled environment, some aspects of which are already being adapted here.

El Sanofi SA of France, a participant subsidiary of Eli Lilly, announced that it had research alliance with Sterling Winthrop to develop heart and cancer diagnostics, announced in Paris it was interested in taking up its option to acquire the prescription sector of the subsidiary. It said the division had sales of almost \$1 billion. The acquisition would make Sanofi the world's 10-largest pharmaceuticals company.

Separately, Bayer AG was interested in the over-the-counter drugs, which would give the big German chemicals company back the trademark to its well-known aspirin in the United States, which it lost during World War I.

The Kodak move had been foreseen, but Mariola Hager, medical industry analyst at Salomon Brothers Inc., said she wondered whether its timing may have been pushed forward by Monday's announcement that Roche Holding AG of Switzerland would pay \$3.2 billion to Syntex Corp., a troubled U.S. drug company whose most profitable products are running out.

Once one big company makes a deal all the others follow more quickly than you expect. Three months from now may be too late," Ms. Hager said. "The whole industry is ripe for consolidation, and this is a field Kodak doesn't understand."

Ms. Hager said the large American drug companies, which have been coming money for the past decade in the world's least controlled and most lucrative market, are already being forced to compete by large managed care health companies that are expected to be the heart of President Bill Clinton's health reform program.

The U.S. International Marketing Center is sponsoring a complimentary seminar on:

### U.S. / U.K. Inheritance Laws and U.S. Estate Tax Planning

Featured Speakers:

Jayne A. Hartley  
Attorney at Law

David C. Hartwell  
Prudential Ins. Co. of America

Nevin Overmiller  
Prudential Ins. Co. of America

U.S. Embassy,  
24 Grosvenor Square,  
London W1A 1AE

Thursday, May 12, 1994  
at 9:00 a.m. and 4:30 p.m.

To reserve a place:

Phone: 071-495-2944 or Fax: 071-409-2927  
Write: Estate Planning Seminar, U.S. Embassy,  
24 Grosvenor Square, London W1A 1AE



An aid worker trying to control a crowd of Rwandan refugees as they waited for rationed beans at a camp near Buhoma, Tanzania.

### U.S. Steps Up Efforts to End Rwanda Bloodshed

Compiled by Our Staff From Dispatches

**NAIROBI** — The United States stepped up pressure on Tuesday for regional action to end the bloodshed sweeping Rwanda, but attempts to broker talks between rebels and the rump government made no progress.

UN officials said Tuesday that patrols dug in near the Kigali airport on the eastern outskirts of the Rwandan capital blasted rebel headquarters in the former parliament building with a stream of mortar shells.

Twenty-one children and 13 Red Cross volunteers were killed on Sunday in the southern Rwandan town of Butare, the International Committee of the Red Cross said Tuesday.

Washington, responding to mounting criticism of the West and the United Nations for doing nothing in the face of one of the worst tribal massacres for generations, sent two envoys to the region.

The White House said that John Shattuck, assistant secretary of state for humanitarian affairs, and David Rawson, U.S. ambassador to Rwanda, would visit countries bordering Rwanda in an effort to broker peace talks.

But the latest diplomatic attempt

to stem the bloodletting appeared doomed. Rwandan rebels ruled out an early ceasefire on Tuesday and said a foreign force could not halt the bloodletting.

Jacques Biboszagara, head of international affairs for the Rwanda Patriotic Front, said at a news conference in Brussels that a cease-fire between the front and government forces would lead to more massacres.

"Stopping the hostilities between the hostile forces frees a part of the government army to increase massacres," he said.

Mr. Biboszagara said a new international force proposed by UN Secretary General Boutros Boutros-Ghali would be useless in stopping the bloodshed.

"The international community cannot stop the massacres," he said. "It is only the Rwandans themselves who can do this."

Mr. Boutros-Ghali, who called on

The Tutsi-dominated front says the Hutu interim government was established illegally after the death of President Juvenal Habyarimana in a rocket attack on his plane on April 6.

Mr. Biboszagara said a new international force proposed by UN Secretary General Boutros Boutros-Ghali would be useless in stopping the bloodshed.

"The international community cannot stop the massacres," he said. "It is only the Rwandans themselves who can do this."

Mr. Boutros-Ghali, who called on

the Security Council last week to adopt a more forceful approach to Rwanda, is trying to organize an African peacekeeping force that could be sent into that country with the dangerous task of restoring law and order.

The secretary-general said he planned to ask the heads of all African countries, except Rwanda's direct neighbors, to say quickly whether they were willing to contribute to such a force and how many troops they could provide.

(Reuters, NYT)

RWANDA: Nightmare and Denial at a Border Post

Continued from Page 1  
Rwandan refugees, who in just 25 hours managed to turn this desolate area into a bustling new city of 25,000.

Relief workers say they are fortunate so far that the Rwandans who fled here seemed prepared for their exodus; many have come with jerricans filled with water, a bit of food, cooking utensils, even plastic sheeting to make tents.

"We're not dealing with a very malnourished population," said Sheila Wilson, of the Red Cross. "Quite a lot of them have been

displaced just on the other side of the border."

But the situation was still a "time bomb," she said.

Even as they struggled to accommodate the Rwandans, many relief workers said they were concerned that reports of renewed fighting between Hutus and Tutsis in neighboring Burundi might presage a refugee crisis similar to one six months ago that brought 250,000 Burundians into Tanzania, most of whom have since returned.

Washington is pressing Pyongyang to allow full international inspections of its nuclear installations but also is holding out the prospect of quick economic and political rewards for compliance.

Pyongyang has agreed to only limited international oversight and testing during the removal of nuclear fuel from one of its reactors, scheduled for later this month.

In a statement distributed by the North Korean news agency Tuesday, a Foreign Ministry spokesman appeared to reject a request by the International Atomic Energy Agency for full access to fuel samples during the refueling operation.

The agency's demand "is raising an

Singapore  
isn't Tidig  
By Canine

By Stan

## Realism or Idealism? Effective Foreign Policy Needs Both

By William Pfaff

PARIS — The death of Richard Nixon has brought renewed argument over the oldest dispute in the American foreign policy debate, that of "realism" versus international idealism.

Mr. Nixon is celebrated as the realist who put American national interest first. His Democratic successors are idealists and moralists, emphasizing human rights during the Carter administration, "multilateralism," described as the delegation of responsibility for American policy to the United Nations or to the views held by a consensus of "international community."

There is some truth in both judgments. Mr. Nixon was certainly a believer in national interest as the basis for policy, and he was entirely expedient in what he did to advance what he considered the national interest. However, how realistic this actually proved to be is a question that few are asking.

Was it in the long-term national interest of the United States to end the Bretton Woods monetary system and float the dollar?

Was it realism to continue the Vietnam War after having been elected to end it, thereby adding five years to it and more than doubling the American casualty total — not to speak of other victims?

Was invading Cambodia realism, when it accom-

plished nothing decisive for the Vietnam campaign and pushed Cambodia deeper into the civil struggle that was to end in Khmer Rouge genocide?

Realism by definition is accommodation to reality, the search for pragmatic solutions. Had Mr. Nixon ended the Vietnam War the year he took office, he could have avoided the humiliation of Americans scrambling onto helicopters from the Saigon embassy rooftop in 1975 and won a better outcome for America's South Vietnamese allies than the rout they eventually experienced. He lacked the vision to see this — or the courage, as displayed by Charles de Gaulle in liquidating the Algerian War, France's equivalent of Vietnam.

Mr. Nixon was certainly a realist to end the absurd American nonrecognition of Communist China. He was a realist in looking for detente and arms control agreements with Russia. In other respects he was expedient in action but lacked vision. Nonetheless he was a student of international relations, more so than any other recent president, or secretary of state.

It is a habit in the United States to make amateurs secretary of state (or president), in the belief

that no particular experience or intellectual qualifications are necessary to the job.

A friend of Warren Christopher's said to me recently that Mr. Christopher's performance should not be criticized too harshly, since the end of the Cold War has brought new problems. But if Mr. Christopher had not thought about these new problems, and had on convictions about what should be done, why did he agree to become secretary of state? He should have remained a Hollywood lawyer, or taken another cabinet post in which he knew what he was doing.

I realize that Mr. Christopher is no worse in this respect than many of his predecessors. But the problem with amateurs is that they ordinarily do not know either history or the fundamental policy debates, and therefore become the prisoners of slogans or of the ideas of the moment.

Has either Mr. Christopher or Bill Clinton seriously considered this question of realism versus idealism? Democrats are inclined to associate realism with policy amorality, and international idealism with virtue. They are inclined toward the Wilsonian tradition, which says that foreign policy should aim to make a better and more moral world by way of economic and political pressures and international institutional reform.

This was Jimmy Carter's position, and it seems to also belong to this tradition: both conceptualized world affairs in the abstract terms of a moral struggle by the United States against forces of evil.

However, as the political scholar Hans Morgenthau argued four decades ago, policy idealists risks producing immoral results when it jeopardizes the security or good order of national communities by pursuing unachievable international goals. The "moral dignity" of a policy of realism and national interest lies in its respect for and defense of the only communities capable of realizing and protecting truly moral society, the nation-states.

This is an important debate. The whole argument over Bosnia turns on the question of whether intervention there represents an "idealistic" attempt to solve insoluble problems or is a realistic defense of the moral claims of the national community. It is necessary that those who conduct policy understand the debate and justify their decisions in terms of it.

This has not been the case in Mr. Clinton's Washington. Mr. Nixon will have done Bill Clinton a posthumous service if he compels this administration to examine what it believes.

*International Herald Tribune.*

© Los Angeles Times Syndicate.

## The In-Your-Face Videos Bring the Censor Nearer

By Richard D. Heffner

NEW YORK — A whole new "entertainment" industry was born in the early 1980s, one that in its extremism may now threaten American liberties. The new industry was home video of explicitly sexual and violent content — content that until then had been kept as far from American homes as possible.

On cable's "blue" programs a woman

masturbated on the screen; another

### MEANWHILE

joined her. An artist lovingly painted a mother and her pubescent daughter — not their portraits, their naked bodies. A dog was brutally murdered, the scene repeated again and again. X-rated films made accessible to anyone, young or old, who could turn a switch to "On."

That was only the beginning.

The stunningly successful emergence

of a revolutionary "interactive entertainment" industry, with its video games and promise of "virtual reality," today brings violence and sexuality into homes with a lifelike intensity that had never been imagined. Check out "Mortal Kombat" and "Night Trip."

Reaction is already setting in — not just among fanatics and know-nothings but in the ranks of America's most thoughtful citizens and public officials.

Unfortunately, too many of them now naively turn to the movie rating system I used as a model of how to stem what may too likely become a plea for government censorship. The video game and cable industries are now instituting ratings to assure public and political concerns.

But merely to imitate what the motion picture industry lobbyist Jack Valenti led his colleagues to do a quarter-century ago won't work today.

We have made mistakes over the years, but America's out-of-the-home, box-office-anchored rating system was designed to meet parents' concerns about their children's moviegoing, thereby silencing cries for movie censorship. It simply is not relevant to the in-the-home — and in-your-face — nature of new entertainment industries, which can provide no effective intermediary between their harshest content and their youngest audiences.

Every indication is that these technologies will bring even more outrageous material into homes — material that Americans have tolerated until now only because it has been kept at a distance.

In America, this seeming hypocrisy may have been freedom's saving grace. Extreme obscenity is tolerated only because it is kept largely out of sight, far from homes and families.

Make it more visible, thrust it upon children, and the risk grows that angry Americans will devise formulas of protest and self-protection dangerous to free expression and free choice for all.

Short of censorship, what is the solution for the excesses of cable and the new interactive entertainment?

It is to just say "no." Don't produce degrading materials; don't trade in them; don't seek merely to rate them, passing them off on parents and children; don't profit from them, at such an enormous cost to national life.

To all those who dismiss such an approach as futile, reminiscent of Nancy Reagan's maligned response to the drug problem, consider: Would these "entertainers" really choose instead to risk the biggest battle over free expression that America has ever known?

It is unrealistic to expect a technological fix for the invasive pornography of violence and sexuality. Electronic chips embedded in television sets will no doubt be bypassed before long, no more effectively than unenforceable ratings.

So will contemporary parents' willingness or ability to control the games that their latchkey children play.

So will a call by media ethicists, whose professional codes of conduct are only toothless urgings, drowned out by demands for larger and larger audiences.

So will the call to boycott offending products and producers.

Unhappily, as a result, what probably will not be bypassed any longer is government censorship — unless someone out there has a better idea.

The writer retires next month after 20 years as chairman of the American film industry's rating system. He contributed this comment to *The New York Times*.

## Someone Tell the Vilifiers: He Was Chosen President

By Anthony Lewis

BOSTON — At her press conference last month Hillary Rodham Clinton turned aside a question about the politics of personal destruction. "I can't really help it," she said, "if some people get up every day wanting to destroy."

The way Mrs. Clinton put it reflected the pain that she and the president have surely felt at the level of personal attack leveled at them in recent months. Whitewater is only part of it.

There is a flow of poison directed at the president and his wife, in the comments of talk-show bigots, in extreme-right magazines and newsletters.

Again and again in America, those who disagreed with some person or group have painted them as not just wrong but treasonous — the paranoid style in American politics," the historian Richard Hofstadter called it.

The style was exemplified by Richard Nixon's tactics of smear and division. In his early political career he portrayed his opponents as pro-Communist. He did the same later as vice president. As president, he hated Showdown.

At his death most people chose to emphasize the positive in Mr. Nixon's life, such as the rapprochement with China. But the hit he injected did lasting damage to U.S. political life, reducing trust and making Americans more cynical about all leaders.

The bitterness of the Red Scare period, and even of Vietnam, had seemed to fade. Ronald Reagan, for one, certainly did not have to cope with high levels of personal venom.

Now here we are again. Scandal sheets print charges about Mr. Clinton's sex life, and they are taken up by television networks and some serious newspapers. Talk shows peddle rumors that Vincent Foster, the White House lawyer and Clinton friend who committed suicide, was actually killed in a secret hideout.

As a general rule political leaders deserve no sympathy when they have a hard time. After all, as Harry Truman put it: "If you can't stand

The New York Times.

### The D-Day Invitation List

Regarding "Invite Germans to Europe's Sake" (Opinion, April 23):

Congratulations for having published the comment by Dominique Moisi and Karl Kaiser, a French-German reflection that demonstrates why the presence of the new democratic Germany at the D-Day commemoration is justified. The Normandy landing began the process that led to the defeat of Nazi totalitarianism and to the triumph of democracy in Western Europe, including Germany.

Along with the official representatives of the democratic Germany, and German youth, born in democracy, there are other Germans who have a right to be present: those who were members of the Foreign Legion or of resistance movements, those who suffered in the Nazi concentration camps, those who tried to revolt against Hitler. Who can say that it was wise to exclude them from the D-Day events? Is it too late to correct such an ill-founded decision?

JACQUES JESSEL  
Paris.

It seems lots of people want to hijack the D-Day commemoration to promote their own ideas of worthy causes. Thousands of men died on those French beaches, killed by Germans. Some of the Allied veterans would like to take part in ceremonies that remind them of their good fortune in having been spared, while reawakening memories of their pals who never got home. They neither want nor need outsiders to mess with their memories.

If the Germans want to celebrate, let them go to Rotterdam, London or Coventry, and let their tottering Luftwaffe pilots lay a few wreaths around. Let's wait another 25 years for those wonderful combined celebrations that Mr. Moisi and Mr. Kaiser hanker for. By then we can be a little more certain of the "victory for democracy" they speak of, and almost all combatants will have lost interest in the matter.

G. WILLIS  
Angers, France.

As we prepare our celebrations for the 50th anniversary of D-Day, would it not be appropriate to reopen a pertinent question that has never been satisfactorily answered? Was it really necessary to "saturation bomb" acres and acres of

French civilian living areas in Le Havre, Cherbourg, St. Brieuc, Caen, Rennes, St. Lo and other cities in Normandy?

Surely we might now spare some thought for all the innocent victims of the invasion, American allies, after all.

LESLIE SCHENK  
Chevilly-Larue, France.

An Earlier Nazi Crime

Regarding "A Genocidal Aggression, Not All Churchill in Sight" (Opinion, April 26) by Anthony Lewis:

Mr. Lewis should know better. The first great Nazi crime was not "the terror bombing of Rotterdam" on May 14, 1940, but the terror bombing of Warsaw on September 7, 1939. The bombing was restricted to the Jewish part of the city and aimed among other things at my home, which was destroyed.

ISRAEL BORENSTEIN  
Geneva.

The Singapore Debate

Regarding "The Caning in Singapore Won't Make America Safer" (April 6) by Richard Cohen:

Mr. Cohen is absolutely right. The caning of 18-year-old Michael Fay for acts of vandalism will do nothing to "make things safer in American cities"; I rather doubt that was Singapore's intention. I have no doubt, however, that globe-trotting delinquents will now think twice before stepping off on line when there.

I write as an expert on corporal punishment, having been raised by a "barbaric" father who never failed to impress on me — and with a heavy hand — the difference between "hit" and "mine." A pity Mr. Fay was not so lucky.

D. D. HARRIS  
Cork, Ireland.

Philip Bowring ("Unusual Law," April 20) describes Singapore as only an "averagely safe" city ruled as much by fear as by example.

If this were so, Singaporeans would have voted with their feet for greener pastures and foreigners would not seek to settle in Singapore. In fact, each year 22,500 Singaporeans emigrate, while 20,500 immigrants come to Singapore.

Mr. Bowring cites United Nations figures for his assertion that Singapore is no safer than "many other Asian countries and much of Europe." Interpol

figures on major crimes (murder, rape, robbery, housebreaking and car theft) paint a different picture. They show Singapore with 161 reports per 100,000 population per year, compared to Tokyo with 254, Hong Kong 476, Australia 2,841, Paris 3,510 and London 3,766.

S. B. BALACHANDRER  
Press Secretary  
to the Minister for Home Affairs.  
Singapore.

In his letter of April 26, S. R. Nathan, Singapore's ambassador to the United States, states that "the Singapore government did not introduce caning, the British colonial government of Singapore did." This is correct insofar as it goes. But it gives the impression that the colonial government invented the practice, whereas it merely adapted a form of punishment that had been codified and in use in China since the 6th century. It was under the Sun Dynasty that caning became a more humane form of "lesser punishment" of branding and caning of the nose, for minor offenses such as harming private property or vandalism.

By the time of the last dynasty, the Qing, 10 different degrees of caning could be sentenced. Criminals and their families often hired the doctor to pretend to strike with force. Caning was discontinued only under the People's Republic. bribery would be unthinkable in today's Singapore. Moreover, in old China the severity of the punishment depended on ooc's standing and connections, whereas in Singapore the same punishment is applied to all. In Singapore today, a standard rattan cane is used in place of the split bamboo of the past, which was chosen for its strength. No doctor was present in old China, and the cane was not disinfected. These contrasts between caning in the old China and caning in Singapore today provide striking examples of the island republic's concern for efficiency, fairness and hygiene in applying a system of punishments inherited via the British from the dynasties.

GEORGE STAUNTON  
Brussels.

On April 27, the Singapore Broadcasting Corp., in a documentary on vandalism, highlighted a speech to Parliament in 1967 by the home affairs minister, E.W. Barker, in which he justified the introduction of mandatory caning for the offense of vandalism of public property. Last

year, Mr. Barker was convicted of drunk driving and refusing a Breathalyzer test. His sentence was a light fine, leniently having been shown on the ground that he had undertaken not to drive again. Instead he would use his chauffeur.

Readers may judge which is the more serious offense: spray-painting of cars or endangering lives by drunken driving.

R.J. SANDILANDS  
Singapore.

I think there is a good case for using caning as punishment in all countries. But its use should be reserved for criminals who have caused bodily harm. To beat a man because he has defiled some material object is to me a vast overreaction.

RICHARD HILL  
Perth, Australia.

When I see the beautiful historical buildings of Basel's old city defined by totally unattractive, meaningless, and outright stupid graffiti, I have occasional thoughts that there is nothing wrong with Switzerland that a good dose of Singaporean discipline could not cure.

OTTO H. NOWOTNY  
Basel, Switzerland.

Michael Fay's transgression was a misdemeanor. That makes the punishment completely criminal.

CAROL PAGE  
Munich.

Nixon in History

Even though I never voted for Richard Nixon, I was able to agree with much of what William Safire wrote ("How to Sum Up Nixon: An Inspiring Resilience," April 26). Nevertheless, to call Mr. Nixon "America's greatest president" goes too far. Greater than Jimmy Carter, who has traveled so far, so often to stop conflicts and help promote free elections? Greater than Herbert Hoover, whose reports on the administration of government brought praise from Republicans and from Democrats led by Harry Truman? Greater than William Howard Taft, who held the post of chief justice of the United States after leaving the White House? Above all, greater than John Quincy Adams, who served some 18 years in the House of Representatives and did so much to oppose slavery?

BERNARD SINDEIMER  
Boulogne-Billancourt, France.

It is unrealistic to expect a technological fix for the invasive pornography of violence and sexuality. Electronic chips embedded in television sets will no doubt be bypassed before long, no more effectively than unenforceable ratings.

So will contemporary parents' willingness or ability to control the games that their latchkey children play.

So will a call by media ethicists, whose professional codes of conduct are only toothless urgings, drowned out by demands for larger and larger audiences.

So will the call to boycott offending products and producers.

Unhappily, as a result, what probably will not be bypassed any longer is government censorship — unless someone out there has a better idea.

The writer retires next month after 20 years as chairman of the American film industry's rating system. He contributed this comment to *The New York Times*.

### BOOKS

#### THE SECRET LIFE OF THE SEINE

By Mort Rosenblum. 29



# Banking and Finance in INDIA

## PRIVATE INVESTMENT, BOOMING EXPORTS POINT TO AN ECONOMIC RECOVERY

**A**fter two years of stagnation, the Indian economy is slowly showing signs of recovery. According to a just-released forecast by the National Council of Applied Economic Research, an independent economic think tank, the growth rate for the gross domestic product in 1994-95 is expected to be 4.8 percent, given the best scenario. Even if agricultural output were low and agricultural prices high, the growth rate is still expected to be 4 percent.

The main reason for this

is that two rates and to rationalize excise and customs duty rates. The 1994-95 budget of Finance Minister Manmohan Singh has brought down duties on imported raw materials and revamped excise rules. The

when Prime Minister Narasimha Rao assumed power, foreign-exchange reserves were just over \$1.5 billion. Today, three years later, the figure is a stupendous \$15 billion. The money has come mainly in

Foreign financial institutions were allowed to enter the Indian market in late 1992 and have been steadily investing since the middle of 1993. More than 100 of them have been registered by the Securities and Exchange Board of India; as of late April, they have put in close to \$2 billion. These institutions represent one of the many new sources of funds pouring into the Indian capital markets. Four private mutual funds, including Morgan Stanley, have raised money. Alliance Capital of the United States is next in line for setting up a domestic fund.

Country funds meant for investment in the Indian market are suddenly popular. Recently, Oppenheimer and Morgan Stanley each raised more than \$500 million to invest in India. In all, close to \$1.7 billion in country funds has been raised for investment in India.

More than any other area of its economy, India's financial sector is rapidly linking up with the world. Companies like JP Morgan, GE Capital and Morgan Stanley are all running local operations. This has put pressure on the domestic financial sector — substantially owned by the government banks, insurance companies and financial institutions — to shape up. The State Bank of India has just completed a public offering to reduce the government's holding and offer shares to the public. The Industrial Development Bank of India is expanding its services into credit rating, investment banking and investor services. It is also promoting the National Stock Exchange, a new countrywide electronic stock exchange.

Nevertheless, several troubling factors have crept up over the past year. As revealed by the budget papers, the primary deficit — or excess of all expenditure over all receipts excluding borrowings and interest payments — was supposed to yield a surplus of 10.41 billion rupees (\$336 million) in 1993-94. Instead, Mr. Singh ended the year with a huge primary deficit of 21.05 billion rupees, which was more than double that of 1992-93. A revenue shortfall of 60 billion rupees and overspending of 125

billion rupees contributed to this situation. The budget deficit — the excess of all expenditure over receipts — was supposed to be 43.14 billion rupees. It turned out to be 90.6 billion rupees. The fiscal deficit to GDP ratio is way above the 4.5 percent target agreed with the IMF for 1993-94. This does not seem to be bothering the government too much at the moment because it is confident that it has various options for meeting any crisis.

The bright spot is booming exports. In 1992-93, India's exports totaled \$18.4 billion — a rise of 3.6 percent over the previous year.

During the same period, imports went up by 11.9 percent, to \$21.7 billion. This was partly due to the collapse of the economy of Russia, one of India's main trading partners. For the year ending on March 31, 1994, exports have registered a 21-percent growth, and imports have marginally declined.



Textiles and clothing are among India's key exports, which totaled \$18.4 billion in 1992-93.

optimistic scenario is that the economy is now led by private investment rather than public investment as in the past. In 1994-95, the former is expected to grow by 3.1 percent, while the latter will grow by 8 percent. With agricultural growth projected to be between 2.6 percent and 2.3 percent, overall industrial growth will be 6.8 percent, according to NCER. The most important component of the growth may come from the capital-goods sector.

Part of the boost in the economy will also come from tax reforms. Started three years ago, these re-

liefed had been cut earlier as part of an austerity package agreed on with the International Monetary Fund. The negative signal is that for the first time in 74 weeks, inflation is up to double digits. It reached a peak of 17 percent in August 1991 and had been continuously falling until early this year. India, however, has never before reached a situation where it had six months worth of import cover and record food stocks. With these two weapons, the government is in a position to buy its way out of trouble.

In the middle of 1991,

1992, about 27 companies have issued Global Depository Receipts and bonds fetching over \$2.7 billion. Much of the money is being used for speculation, however, and the money supply is getting out of hand; as a result, the government has recently become slightly reluctant to give unrestricted sanctions to Indian companies to issues GDRs.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Debasish Basu, a Bombay-based writer who runs an information services and consulting company.



Busy days at the new electronic National Stock Exchange: India's financial sector is rapidly linking up with the world.

## ON THE BLOCK

**O**ne of the most exciting effects of the Rao government's liberalization efforts has been the debut of Indian companies on world financial markets. Beginning with Reliance Industries in 1992, about 27 companies have raised over \$2.7 billion. Topping them all is the \$1 billion offering from Videsh Sanchar Nigam Ltd., India's monopoly international telecom operator.

VSNL is attractive to fund managers because of the close correlation between economic growth and telecom tariffs. As India opens up more to the world, VSNL's revenues are bound to grow from a compound rate of 43 percent in the past five years to close to 50 percent in the next five years.

The success of VSNL is crucial to the future of Global Depository Receipts offerings from India. The Ministry of Finance is flooded with applications from Indian companies, but it is being selective about approving them. Among those intending to make GDR issues are government companies Hindustan Petroleum, Indian Oil, Indian Petrochemicals Corporation and Shipping Corporation of India. The latter plans a \$100 million issue to finance its \$700 million fleet expansion program. SCI used to be a 100-percent government-owned company until 18.5 percent of its equity was sold off as part of the disinvestment plan in 1991 and 1992.

## From a country that surprises itself, a credentials presentation that will surprise you.

In terms of economic reform, India continues to surprise itself. This presents an exciting opportunity to investors everywhere. There's no better way to tap this than through India's most dynamic bank.

Name:	State Bank of India
Age:	200 years
Location:	8,700 branches in India 49 offices in 35 countries worldwide
Experience:	<ul style="list-style-type: none"> <li>• Bankers to the nation</li> <li>• The driving force behind India's economy</li> <li>• Accounting for 29% deposits, 33% advances, 45% foreign trade, 40% new issue funds</li> <li>• Leader in NRI banking</li> <li>• Subsidiaries in merchant banking, factoring, mutual funds, housing finance</li> </ul>
Special Achievements:	<ul style="list-style-type: none"> <li>• The only Indian bank in the pan-European region</li> <li>• Amongst Asia's top 25 banks</li> <li>• Amongst the world's 400 largest banks</li> <li>• Correspondent network of over 1,000 foreign banks</li> </ul>

State Bank of India  
YOUR GLOBAL LINK TO INDIA  
Headquarters: State Bank of India, International Division, 12th Floor, Madame Cama Road, Post Box No. 10121, Bombay 400 021.  
Tel: 222 2626, 222 2654, Fax: (22) 230 4673.

Overseas offices: New York • Chicago • Los Angeles • Toronto • London • Paris • Frankfurt • Amsterdam  
• Hong Kong • Singapore • Tokyo • Osaka • Colombo • Manila • Dhaka • Jakarta • Bangkok • Kuala Lumpur • Seoul • Sydney • Melbourne • New Zealand City, Vietnam • Thailand • Nepal • Taiwan



**IDBI**  
A PREMIER FINANCIAL INSTITUTION  
IN THE EMERGING MARKETS



India is Asia's emerging success story. Industrial Development Bank of India, India's foremost financial institution, is the key player in India's industrial transformation. And with liberalisation sweeping the country, it is playing a pivotal role in helping India integrate into the world economy.

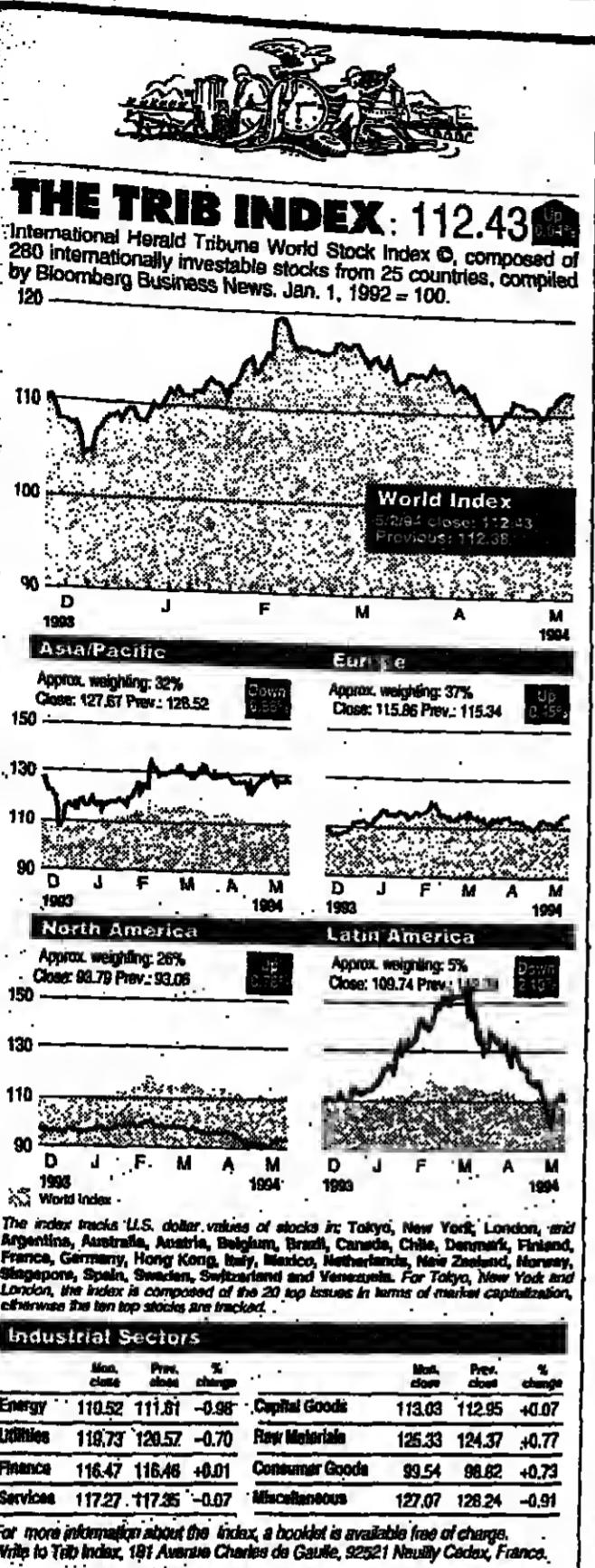
For foreign investors looking towards India, there is no better place to start with than IDBI. Intimate knowledge of India's complex and inter-related markets. Expertise of diverse industrial sectors. Feel of economic trends. Products and services ranging from project funding to merchant banking. A team of committed professionals ... Everything you would expect from the world's 12th largest development financing institution with diversified assets of over US \$ 10 billion and a net worth of US \$ 1 billion. As a forward looking financial institution, IDBI is equipped to face future challenges and help India take its rightful place in the global markets.



Industrial Development Bank of India  
Developing India - Through Innovative Finance

IDBI Tower, Colaba Parade, Bombay 400 005, India. Ph. (22) 21801111 Fax. (22) 21804111/2186137 Telex: 0118-2193/4812





## Bonn Says Tax to Last 5 Years

### FDP Differs on Unification Levy

BONN — An income tax surcharge of 7.5 percent being reintroduced in Germany next year to help pay for unification will remain in force for at least five years, the country's chancellor minister said Monday.

Rejecting calls from industry for a clear time limit for the so-called "solidarity surcharge" on income and corporate tax, Friedrich Bohl, an aide to Chancellor Helmut Kohl, said it would last five years or longer.

"To the federal government's medium-term financial planning, it is seen as a source of income that can be taken for granted for five years," Mr. Kohl said. "I can tell you now that it looks as if we will need it even beyond that."

However, members of the Free Democratic Party, minority members of Mr. Kohl's coalition government, continued to insist that a firm timeframe should be set for scrapping the surcharge.

"After three years there must be a review of whether the surcharge is still necessary," said Klaus Kinkel, the country's foreign minister and leader of the Free Democratic Party.

The chancellor, who faces elections in October, originally introduced a one-year surcharge in 1991, breaking a "no tax increase" pledge he made in the 1990 elections. His center-right coalition said last year that the surcharge would be restored from 1993, when the government takes direct responsibility for repaying about 400 billion Deutsche marks (\$240 billion) of debts inherited from East Germany.

Taxpayers will be taxed at their normal rate, but 7.5 percent will be added to their tax bill. The government has said it expects the surcharge to raise around 30 billion marks a year in revenue.

The opposition Social Democratic Party has said it would scrap the surcharge if it wins power, replacing it with a 10 percent levy that only people earning higher incomes would have to pay.

"I think the market will take the capital

and education; and the introduction of new technology should be encouraged, although the OECD is rightly wary of interventionist industrial policies.

Wages should be made more flexible — for example, by eliminating minimum wages or lowering them for young people, as Prime Minister Edward Balladur tried unsuccessfully in France — and nonwage labor costs such as social security should be reduced.

It should be easier to shed workers for economic reasons. In the United States, people are fired more easily than in Europe, but they also find new jobs much more quickly and there is much less long-term unemployment.

Working hours should be much more flexible and governments should concentrate on finding new jobs for the unemployed rather than paying them not to work.

Where will the new jobs come from? They will be mainly in services and in the private sector, and they must be highly skilled if they are to last.

As the young protesters who so roughly defeated Mr. Balladur demonstrated, it will not be easy. For many, the change will be painful, and they will need help.

But the main point is that most of the OECD's proposals can be implemented by changing the rules of the game rather than by distorting market forces.

In some areas, particularly in introducing flexible working conditions, John Major's Conservative government in Britain is rather surprisingly leading the way — although it is hardly a model in other respects.

But a main implication of Mr. Pay's proposal, although he tactfully does not say so, is that Europe should be more like America, which has always found change easier.

Entrepreneurship can be fostered by removing obstacles to the start of new businesses and the expansion of old ones; labor-force skills can be honed through lifelong training

and mobility.

The problem is not change, but the rich countries' unwillingness to cope with it.

It is a fine disjunction, but a key one. It underlines the futility of trying to resist the forces of change by the kind of Luddite measures still favored by populist politicians and many labor unions.

It also allows for much more optimism that technological advance can be harnessed to multiply wealth — a conclusion also reached by President Bill Clinton's Group of Seven nations conference in Detroit earlier this year.

The reasoning is that the industrial coun-

tries, especially in Europe, have for at least the last 20 years allowed their economic arteries to harden and their labor markets to grow rigid.

Highly paid workers are producing goods and services that people no longer want or cannot afford. Entrepreneurs and managers have failed to respond to the potential of new products and production processes.

Of course it is not the same everywhere.

While Europe wants more jobs, the United States wants better jobs. Japan has done best in safeguarding employment, but it, too, has begun feeling the pressure of change.

So what can be done to answer the second part of the question, to create new jobs? Lots, the OECD says.

Entrepreneurship can be fostered by re-

moving obstacles to the start of new busi-

nesses and the expansion of old ones; labor-force

skills can be honed through lifelong training

and mobility.

The truth is that the culprit is not change,

but the rich countries' inability or unwilling-

ness to cope with it.

## How to Sell the Plowshares?

### U.S. Tries to Aid Russian Military Conversion

By Richard W. Stevenson

New York Times Service

REUTOV, Russia — Inside a complex where the Soviet Union used to develop cruise missiles and spy satellites, Gerben Yefremov is waging a different kind of battle.

With orders for armaments having all but disappeared, Mr. Yefremov is trying to turn the company toward earth-imaging satellites, solar-power cells, food-preservation equipment, water-purification systems, tinted glass sailboats — virtually any commercial product its talented scientists and engineers can design and produce.

At stake for the company he manages, Mashinostroyeniya, are its 6,500 remaining jobs, down from 9,000 a few years ago, in this city 10 miles (16 kilometers) east of Moscow.

For Russia, Mr. Yefremov's success or failure will be an early test of the country's ability to convert an economy that was largely directed at maintaining military strength into one that can support jobs and create wealth.

"We have always had to compete," Mr. Yefremov said. "Now it's just a different kind of competition."

But even with aid from the West, some of which it is getting, it seems that no more than a handful of Russia's military enterprises can be transformed into makers of quality civilian products at a competitive price.

As a result, even a relatively small company like Mashinostroyeniya may in the long run have to slim down a lot further. That means attempts to turn military industries to civilian use will barely alleviate the pain and upheaval that the military-

industrial complex seems destined to endure as Russia moves in fits and starts toward a market economy.

To try to ease Russia's conversion, an American program is just getting under way to encourage American companies to seek Russian military contractors for joint-venture partners.

Mashinostroyeniya was selected recently by the U.S. government as one of four Russian military complexes to participate in the first round of the program to create and finance commercial joint ventures with American companies.

Under the program, which was developed by Defense Secretary William J. Perry and is being managed by the Pentagon and the Commerce Department, the United States will provide a total of \$20 million to joint ventures that it judges to be models for further deals.

The other three Russian companies chosen for the program are the State Scientific Research Institute of Aviations Systems and the Istoek Electronics plant, both in the Moscow area, and the Lenisois plant in St. Petersburg.

"We would prefer that these factories produce commercial goods rather than weapons of mass destruction," said Barry Carter, an official who oversees the program for the Commerce Department.

These joint ventures help the economy of Russia, and they help the U.S. and the rest of the world through more trade and investment," he said.

Although no precise figures are available, Russia's military industry, which encompasses not just

Syntex but revenue of \$2.1 billion in the business by end of July 31, 1993, and Roche had 1993 sales of \$3.7 billion.

Roche agreed to pay a price equal to 15.8 times Syntex's expected fiscal 1994 earnings of \$1.52 a share and 20.5 times expected 1995 earnings of \$1.17 a share, according to estimates compiled by Institutional Brokers Estimate System.

Other drug companies are trading at lesser multiples of their per-share earnings.

Mr. Guriner said Syntex's stream of products under development, known in the pharmaceutical industry as the pipeline, encouraged Roche to pursue Syntex.

Syntex's current stable of products, Syntex has the potential to turn out major new drugs in the next several years because of its strength in research and development. Roche, a global company, could provide the most extensive marketing reach for Syntex drugs while minimizing its own cost of drug development.

"Product development is very costly now, so if you're forced to

## Roche to Pay \$5.3 Billion for U.S. Drug Maker

Bloomberg Business News

PALO ALTO, California — The Swiss pharmaceutical giant Roche Holding Ltd. took a big bet Monday on Syntex Corp.'s future, agreeing to buy the U.S.-based drug company for \$5.3 billion in cash.

Roche agreed to pay a price equal to 15.8 times Syntex's expected fiscal 1994 earnings of \$1.52 a share and 20.5 times expected 1995 earnings of \$1.17 a share, according to estimates compiled by Institutional Brokers Estimate System.

Other drug companies are trading at lesser multiples of their per-share earnings.

Mr. Guriner said Syntex's stream of products under development, known in the pharmaceutical industry as the pipeline, encouraged Roche to pursue Syntex.

Syntex's current stable of products, Syntex has the potential to turn out major new drugs in the next several years because of its strength in research and development. Roche, a global company, could provide the most extensive marketing reach for Syntex drugs while minimizing its own cost of drug development.

"Product development is very costly now, so if you're forced to

pay a price equal to 15.8 times Syntex's expected fiscal 1994 earnings of \$1.52 a share and 20.5 times expected 1995 earnings of \$1.17 a share, according to estimates compiled by Institutional Brokers Estimate System.

By January, Syntex plans to file for FDA permission to sell mycophenolate mofetil for the treatment of rejection in kidney transplant patients. Mr. Shah estimates annual sales of \$125 million for that drug within three to five years.

Syntex also has drugs in human trials for organ transplant rejection, Alzheimer's disease, osteoporosis and peripheral artery disease.

Syntex shares have tumbled from their 1992 high amid expectations that its loss of patent protection last December on its two main products, pain relievers Naprosyn and Analgesic, would depress profit.

Roche also has a majority stake in Genentech, a biotechnology company based in South San Francisco, California.

## Mediobanca Girds Up for Privatizations

AFP-EXXON News

MILAN — Mediobanca SpA, Italy's leading merchant bank, is likely to use proceeds from its just-announced capital increase to participate in Italy's next round of privatizations, analysts said Monday.

The capital increase, announced Friday, is expected to produce returns of 1.5 trillion to 1.9 trillion lire (\$940 million to \$1.2 billion).

"The operation will allow Mediobanca to maintain its central role in Italian corporate affairs and the privatization program," said Fabrizio Mambretti, an analyst at Gamba Azioni. He claimed the market would be able to absorb the increase "without difficulty."

Analysts said that Mediobanca would be particularly interested in the privatization of Società Finanziaria Telefonica SpA, the telecommunications holding company, as well as Istituto Nazionale Assicurazioni SpA and Ente Nazionale per l'Energia Elettrica.

"I think the market will take the capital

increase news well because it's so clearly aimed at the attractive privatizations coming up," one analyst said.

"It's difficult to see Mediobanca facing any resistance from the current government as it is handling the placement of the Fininvest SpA unit Mondadori," he said. "And Fininvest will need

## MARKET DIARY

# Drug Stocks Lead Wall Street Gains

Compiled by Our Staff From Dispatches

**NEW YORK** — A stronger-than-expected report on the economy and a drug company takeover pushed up stock prices Monday, pushing up stock prices Monday, allowing them to shrug off a drop in Treasury bond prices.

The Dow Jones industrial average closed up 19.35 points at 3,701.02. Advancing issues out-

## U.S. Stocks

numbered decliners by a 11-to-9 ratio on the New York Stock Exchange. Trading was active on the Big Board, where about 296 million shares changed hands.

A monthly survey from the National Association of Purchasing Management showed the U.S. manufacturing sector expanding rapidly in April.

The data sent the price of the benchmark 30-year Treasury bond down 8.32 points, to 87 1/32, and the yield up to 7.33 percent from 7.30 percent Friday. Bond prices tend to fall on news of strong economic growth, which carries the threat of inflation.

But stock investors focused on the potential positive earnings impact of quicker manufacturing growth rather than on the higher interest rates which could choke off expansion.

The purchasers' data sent cyci-

cals, in particular, higher. Cyclicals are issues that tend to capitalize on an upturn in the economic cycle. Ford jumped 2% to 60¢ and General Motors rose ½ to 57½.

Also encouraging to stock investors was news that Roche Holding, of Switzerland, will acquire Syntex, the pioneering U.S. drugmaker, in a deal worth \$5.3 billion. Syntex stocks surged 8% to 23½. Other drug stocks rallied, including Merck, which rose ½ to 29½. Upjohn, which added 1% to 29½, and Glaxo Holdings' American depositary receipts, which added ½ to 17½.

Eastman Kodak got an indirect lift from the news, rising 2% to 44½, because it spurred sentiment that Kodak may spin off its struggling Sterling Drug unit.

Stock in Lehman Brothers Holdings rose ½ to 19½ after it began trading on a when-issued basis. Lehman is trading as if it were a public company because its parent, American Express, is spinning off the securities firm to its shareholders through a dividend on May 31.

Oil stocks slumped, because higher interest rates make oil stocks less attractive, analysts said.

Exxon fell 1% to 61½, Chevron lost 1½ to 57½ and Texaco dropped ½ to 60½, despite a gain in crude oil prices.

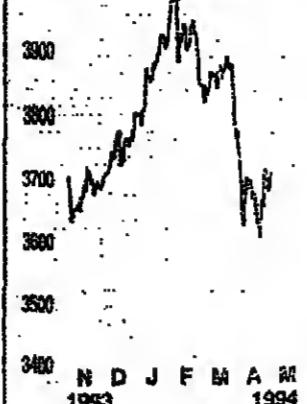
(AP, Bloomberg)

Via Associated Press

## The Dow

Daily closings of the Dow Jones Industrial average

4/30



NDJEMAN 1994

1993

## May 2

## Dow Jones Averages

Open High Low Last Chg.

Indus 3682.72 3710.51 3691.00 +1.32

Trans. 100.00 100.25 99.50 -1.75

Urt. 198.72 199.14 197.52 -1.15

Comd. 1314.99 1317.72 1317.01 1317.75 -1.15

Trans. 131

# Riva Takeover Of EKO Stahl Is Threatened

Compiled by Our Staff From Dispatches

**BERLIN** — The Italian steelmaker Riva SpA has threatened to withdraw from its deal to purchase EKO Stahl AG, the big steelmaker in Eastern Germany, German government sources said Monday.

"He is threatening to throw in the towel," a German government official said, referring to Emilio Riva, the owner of the Italian company.

Riva SpA acquired 60 percent of EKO Stahl in January and was due to take over the remaining 40 percent by May 1. But the completion was postponed last week because of a disagreement between Mr. Riva and the German labor union IG Metall over the composition of the company's supervisory board and the pace of planned job cuts.

In March, Treuhandanstalt, the privatization agency for Eastern Germany, said that Riva had committed itself to invest 1.1 billion Deutsche marks (\$661 million) in EKO Stahl.

Germany's economics minister, Günter Rexrodt, urged the management of EKO Stahl to fulfill the conditions for the takeover by Riva as soon as possible.

"There is no alternative to privatization through the Riva group," he said. "Anyone in these bodies who tries to carry on cooking his own private or ideological soup is taking on grave responsibility. There is neither any other investor for EKO Stahl, nor is the European Union likely to allow alternative aid."

Mr. Rexrodt said he had been in close contact with Mr. Riva and with representatives of EKO Stahl and Treuhandanstalt.

One German government official said that EKO Stahl's management had put numerous hurdles in the way of Riva, including denying it access to financial and technical records.

But a management source at EKO Stahl dismissed that allegation. "That is simply untrue," he said, adding that Riva officials had been given office space at EKO Stahl.

The IG Metall metalworkers union, which according to the privatization agreement would divide the 10 seats on the company's supervisory board with representatives from Riva, supports a former finance minister, Hans Apel for the crucial 11th seat on the board. That seat would cast a vote only in the event of a draw.

But a spokesman for IG Metall said that Riva opposed Mr. Apel due to fears that he would side with the workers in contested votes. Riva officials were not available for comment.

EKO Stahl, which has about 4,000 workers, was one of the last large companies that Treuhandanstalt was seeking to privatize from the list of 13,000 state-owned companies which it inherited from the former East German government.

(Reuters, AFX)

## Henkel Says Cost Cuts to Help Profit

Reuters

**DUSSELDORF** — Henkel KGaA said Monday that its profit could rise more than 10 percent this year as cost-cutting measures begin to have an impact.

Hans-Dietrich Winkhaus, chairman of the chemical and detergent company, said it was possible pretax profit would show double-digit growth this year. Sales should rise by about 3.0 percent, he predicted.

In 1993, Henkel's pretax profit fell 6.0 percent to \$38 million Deutsche marks (\$354 million). Hit by falling European revenue, group sales fell 2.0 percent to 13.87 billion DM.

Mr. Winkhaus said sales in Germany fell 2.0 percent last year and sales in Europe fell 7.0 percent — declines that could not be offset by strong growth overseas.

In the first three months of 1994, parent company pretax profit rose about 30 percent, despite a 1.0 percent decline in sales, he said.

The first months reinforce our view that we should not yet bank on a thorough improvement in the consumer climate in Western Europe," Mr. Winkhaus said. But restructuring should lower costs to the point where double-digit growth in profit is possible, he said.

He said the company spent 241 million DM last year on steps to increase efficiency and that trend would continue this year.

(Reuters, AFX)

# Philips Profit Seen Surging Improved Finances Should Help in Quarter

Reuters

**AMSTERDAM** — Philips Electronics NV is likely to report sharply higher first-quarter profit on Wednesday, but the gains probably resulted from improved finances rather than stronger sales, analysts said Monday.

The consumer-electronics conglomerate will probably report a gain of between 6.3 percent and 200 percent in profit, analysts said, although they warned that the steep debt-cutting trajectory begun in 1993 would not be sustainable through all of this year.

But they said improving European economies would help operating income in the second half of this year.

"There is a lot of momentum building up for earnings improvement," said Bert Slobbrand, an analyst at Delta Lloyd Bank.

Analysts' estimates for first-quarter operating income ranged from 165 million guilders (\$88 million) to 300 million guilders. The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of 1993. It returned to profit in the final quarter of 1993, but only because of the usual surge of Christmas spending,

The division was unprofitable in 1992 and for most of





**NASDAQ**

**Monday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

**AMEX**

**Monday's Closing**  
Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
late trades elsewhere. Via The Associated Press

INTERNATIONAL HERALD TRIBUNE, TUESDAY, MAY 3, 1994

The 1994 China  
Commission for  
May 11-12, 1994

**CONFIRMED C  
Guanlin and  
Zhangjiu. Miss  
H.**

Chairman of C  
Chen Yuan, and  
CONFIRMED F  
Director Gene  
Chancellor of th  
Bamevik, Pres  
Petroleum Com

# AIBR

# THE MOST IMPORTANT BUSINESS MEETING EVER ORGANIZED IN CHINA.

The 1994 China Summit Meeting has been convened by the International Herald Tribune (IHT) and the State Commission for Restructuring Economic Systems (SCRES) and will be held at the China World Hotel in Beijing on May 11-12, 1994.

**CONFIRMED CHINESE PARTICIPANTS TO DATE INCLUDE:** Premier Li Peng, Vice Premier Li Lanqing, State Councillor and Minister of SCRES Li Tieying, Chairman of the State Commission for Economics and Trade Wang Zhongyu; Minister of Finance Liu Zhongli, Minister of Foreign Trade Wu Yi, Mayor of Shanghai Huang Ju, Chairman of China Securities Regulatory Committee Liu Hongru, Deputy Governor of the People's Bank of China Chen Yuan, and 140 CEO's of P.R.C. state-owned enterprises.

**CONFIRMED FOREIGN PARTICIPANTS TO DATE INCLUDE:** Prime Minister Mahathir bin Mohamad of Malaysia, Director General of GATT Peter Sutherland, Managing Director of the World Bank Ernest Stern, Former Chancellor of the Federal Republic of Germany Helmut Schmidt, President and CEO of Asea Brown Boveri Percy Barnevik, President of Boeing Commercial Airplane Group Ronald Woodard, Chairman and CEO of Caltex Petroleum Corporation Patrick Ward, Chairman of Peregrine Investments Holdings Philip Tose.

**Herald Tribune**  
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE INTERNATIONAL HERALD TRIBUNE CHINA SUMMIT.

Summit Sponsors:

**ABB**

**BOEING**



**PEREGRINE**

Corporate Sponsors:



Supporting Sponsors:



**AMP**

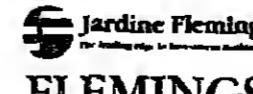
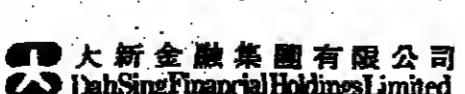
**Bank Austria**

**BOOZ ALLEN & HAMILTON**

**Burson-Marsteller**

**China World Hotel**

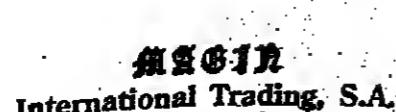
BEIJING



INTERNATIONAL INVESTMENT BANKERS



**winterthur**



**MYCOM BERHAD**



# Banking and Finance in ASIA

## 'DRAGON' MARKET STEPS OUT OF THE SHADOWS

**S**ay year, as China boomed, a new "dragon" capital market composed of newly industrialized players outside Japan stepped out of the shadows, promising a more competitive financial environment that should quicken the pace of industrialization in Asia.

Once only recipients of foreign financial flows, emerging financial services centers in Asia's newly industrialized economies (NIEs) - Hong Kong, Singapore, Korea and Taipei - kicked up the two-year-old bond market from \$600 million to \$2 billion, sending

stock indexes higher, from 50 percent in Singapore to 154 percent in Manila. The emergence of regional financial centers and the opening up of huge new areas for trade and investment in the region were powerful con-

*The emerging financial markets are still thin'*

verging currents that allowed Asia to outpace all other regions of the world.

Tomio Hayakawa, who heads the five-year-old Asian Finance and Invest-

ment Corporation (AFIC), the commercial-banking subsidiary of the Asian Development Bank, modified his lending and investment program late last year to include new thrusts in capital-market activities and bond underwriting and syndication and to increase flexibility in dealing with the aggresive NIEs.

China, which sped through its second year of double-digit growth (13.4 percent), was the obvious key to bullish 7.4 percent regionwide growth, despite gloomy 1 percent marks in industrialized countries. The opening of an additional 28 cities along the Yangtze River and 13 border cities last year caused an investment stampede from Southeast Asia to China, increasing direct flows by 234 percent from an already high mark of \$11 billion in 1992 to \$27.5 billion.

A rapid shift toward intraregional trade, mostly with China, kept most of East Asia's export-fueled dragon economies afloat while boosting sales for Southeast Asia by 29 percent and as high as 55 percent for South Asia.

Regional growth is expected to remain strong (7.2 percent for 1994) despite the slower 9-10 percent growth expected in China, which is dropping from infrastructure bottlenecks, a surge in inflation and increasing deficits caused by the crush.

Southeast Asia, led by Malaysia and Thailand, continued to

improve its performance. Vietnam, which shares the Mekong River with China, benefited tremendously from the rush. India, the biggest single market after China, has emerged from decades of protection, keeping prospecting in the region sky high.

Asia's demonstrated capacity to attract massive private investment flows will be crucial in the face of the pressures that faster growth will put on government budgets and the declining flow of assistance from the developed countries. Increased portfolio investments, through new secondary markets, provide opportunities for further growth.

The entry of the dragon capital market reflects ongoing structural changes in the region. Powered by export surpluses and disciplined domestic savings, the NIEs are changing their previously successful strategies in the face of recession in their traditional industrialized markets as well as maturing internal stress due to rising wages and labor shortages.

A growing part of the huge investment flows swirling through the region - estimated at over \$100 billion in the past five years - represents the relocation of industries from the NIEs to low-wage countries.

Painful financial reform preceded the rise of the dragon bankers, and many adjustments toward more liberalization are still unfolding as the NIEs reposition themselves as new financial and service centers for the developing region. Rising private finance has meant increased portfolio investment and reduced dependence on commercial bank loans to finance investment as well as a reduction in the cost of finance.

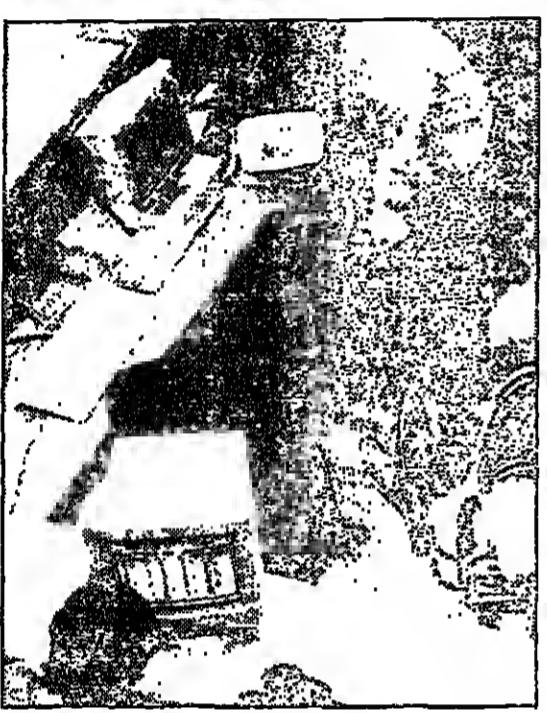
The ADB's Asian Develop-

ment Outlook cautions: "The emerging financial markets are still thin, and their speculative nature can not be discounted." Much of the flow has consisted of residents' repatriated flight capital and some venture capital seeking high returns in the face of low yields in developed country markets.

Still, ADB analysts see the trend toward portfolio diversification by large institutional investors continuing, given the stability in the region, huge regional savings backing the development of the emerging financial markets and improved information flows.

The young, overheated Asian markets began adjusting downward early this year. But increasing private investor confidence and the colossal financing requirements of the region (up to \$1 trillion for infrastructure alone up to 2000) foretell their continued growth.

ADB estimates that the power sector will need investments of \$300-350 billion, telecommunications a further \$150 billion; transport around \$300-350 billion, and water and sanitation, \$80-100 billion.



Over \$100 billion has been invested in Asia in the past five years. Clockwise from top: Japanese yen, now only one of several Asian investment currencies; the Hong Kong stock exchange; Shanghai's stock exchange.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Monica Feria, a writer based in Manila.

## REDUCING POVERTY AND UPGRADING INFRASTRUCTURE

**I**tso Sato, 61, who took over as president of the Asian Development Bank last November, has ordered a sweeping review of the 27-year-old bank's strategies and organization.

When the bank's 53-member board holds its annual meeting on May 3-5 in Nice, Mr. Sato will seek a general capital increase that would more than double the regional fund base from \$23.6 billion to \$48 billion. Accelerated growth has generated enormous demands for infrastructure support in Asia, while poverty remains the region's

bigger challenge. Although East Asia's dragons have "graduated" from ADB loans, and Malaysia and Thailand are on the verge of dropping out, concessional lending for China and India is up for consideration.

Three Central Asian Republics - Kazakhstan, Kyrgyzstan and Uzbekistan - have joined the bank, and Azerbaijan, Turkmenistan and Tajikistan have applied. Russia may join as a nonregional member. Development assistance flows worldwide, however, are expected to be tight.

The proposal for a general capital increase was shelved last year, reportedly over

policy concerns raised by the United States, which shares almost equal power with Japan on the ADB board. The go-ahead expect-

*The bank's role as catalyst will be emphasized*

ed to be granted this year will come with instructions for increased cost-effectiveness and project quality.

Indonesia, Pakistan, Thailand and the Philippines have been big beneficiaries of ADB funding in the past decade, and Vietnam is a recent recipient. The bank is

now shifting its concentration to India and the rest of South Asia. China, although still grappling with external debt policies, is also expected to increase its borrowing in the coming years.

"Doing more with less," Mr. Sato acknowledges, will likely mean a slower lending pace that would increase lending levels only slightly, from \$3.3 billion last year to \$6 billion this year and keep concessional lending unchanged at \$1.5 billion.

But Mr. Sato adds that the bank will increase its impact by zeroing in on priority sectors that can help "unlock the potential for growth." More than half of bank lending this year will go to infrastructure projects - particularly power generation, transport and communications - and supervision of borrowers' economic policies and institutional strengths will be tightened up.

Since the bank can offer less than 5 percent of Asia's annual \$100 billion external financing needs, it will continue to emphasize its "catalytic" role in mobilizing both official and private capital.

With budget deficits growing in developing nations, the ADB believes that commercialization or privatization of infrastructure projects may be viable alternatives. ADB loan and project evaluations will favor Build-Operate-Transfer schemes and other arrangements that allow increased private-sector participation. Technical assistance for public-sector reform, deregulation, market pricing and other reforms that enhance this trend will be supported. Support for capital market development is definitely on line.

Three-quarters of the world's poor live in Asia, and the ADB wants to see poverty reduction, environmental protection, human rights and women's development incorporated into most of its projects. "Flexibility is very, very important," says Mr. Sato.

There is momentum," says Tomio Hayakawa, head of the Asian Development and Investment Division, the merchant development subsidiary of the bank that has so far remained on the periphery of industrializing trends and absorbed sooner, he says. "Last year, the 61-year-old banker, formerly an ADB executive in industrialized capital centers, moved away from the crush of European cities to the two-year-old AFIC office in Manila, who was instrumental in the introduction of new dragon bonds, also moved quickly to absorb lending and equities into capital activities. Although AFIC largely follows the ADB, which instigated its formation and holds the same 150 percent stake, it is now more focused on pursuing operations in the region's newly industrialized economies.

AFIC's main thrusts are to pursue more independent and initiative, to expand its operations set up late last year in Japan, and Europe, and to support other financial institutions in the United States and Europe. With its Singapore capital office, AFIC's three offices will help underwrite and finance also on the

### The \$99 Super Saver

From May 1 to September 30, 1994, spend a night at Manila's most elegant hotel for only US \$99\*, for single or double occupancy rooms.

It's an unbelievably great deal. We'll also take care of your airport-hotel transfer. Plus some little extras for you to enjoy.

The \$99 Super Saver Room Package. It's a deal you simply cannot refuse. Only at The Manila Hotel.

\*Rate is 10% commissionable to bona fide travel agents and subject to 10% service charge and 14.4% government tax.

Extra person shall be charged US \$28. Bookings shall be made directly with the hotel. This offer cannot be combined with other promotional rates or packages. Valid for individual bookings only.

Advanced reservations required. Please call (632) 741-7961, extension 1176.



There are perhaps a dozen interesting places you must see in the Orient. One of them is here.

The Manila Hotel

One Rizal Park, P.O. Box 1217, Manila, Philippines. Tel. (632) 741-7961, Fax: (632) 452-2350, Telex: 210-2121. Located in the heart of the business district, just across the street from the Manila Hotel, the Manila Hotel is a 5-star hotel with 300 rooms and suites.

Official Hotel of the 1994 Miss Universe Delegates

## If You Are Looking at Asia...

You may also need to look at these source books on economic and social development in the Asian and Pacific region, published by the Asian Development Bank:

- **Asian Development Outlook 1994 (US\$ 28)\***
- **Key Indicators of Developing Asian and Pacific Countries (US\$ 30)\***
- **Energy Indicators of Developing Member Countries of ADB (US\$ 45)**
- **Electric Utilities Data Book for the Asian and Pacific Region (US\$ 55)**
- **Water Utilities Data Book (Asian and Pacific Region) (US\$ 20)**
- **Gender Indicators of Developing Asian and Pacific Countries (US\$ 25)**

\* Co-published with Oxford University Press.  
All prices are inclusive of mailing cost.

To order these titles and to obtain a full list of ADB publications, write to:

**Publications Unit,  
Information Office,  
Asian Development Bank  
P.O. Box 789, Manila Central Post Office,  
0980 Manila, Philippines.**  
Or fax: (632) 741-7961. Telephone: (632) 632-4444.

**Asian Development Bank**

## For ASIA In ASIA By ASIA

**Equity Investment  
Medium or Long-Term  
Loans  
Underwriting  
Guarantees  
Syndications and other  
Investment Banking Services**

**ASIAN FINANCE AND INVESTMENT  
CORPORATION LTD (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

**Asian Finance and Investment Corporation Ltd (AFIC)**

**Manila Singapore**

**Shareholders:  
Asian Development Bank and**

**AFIC**

**Asian Development Bank**

# Banking and Finance in ASIA

## PROGRESS AND PROJECTIONS

**D**espite the recession in Western industrialized countries, growth in developing Asia in 1993 - 7 percent - was 10 times as high as in Africa and more than twice the average in Latin America and the Middle East.

But development was uneven across the vast region. The "Asian Development Outlook," published annually by the Manila-based Asian Development Bank (ADB), profiles country developments.

### East Asia

**Hong Kong** (per capita GNP: \$15,380) Exports declined by 5 percent last year, but service exports and the outward processing of Chinese products increased by 20 percent, allowing the colony to post 5.5 percent growth, a slight improvement over 1992. Prospects are linked with developments in China. More infrastructure, labor shortages and monetary stabilization within a system linked with the U.S. dollar are pressing concerns. Projected growth, 1994-95: 5.7 to 5.9 percent.

**Korea** (per capita GNP: \$6,790) was the slowest-growing of the NIEs in 1993. A difficult transition from light to heavy industries and chemicals is underway; domestic political uncertainty and low investor confidence pulled Korean growth down to 4.4 percent. New tax reforms and social programs are being introduced. Projected growth, 1994-95: 6.7 to 6.9 percent.

**Taiwan** (per capita GNP: \$10,210) also slowed down, although its 6.2 percent growth was still appreciable.

With rates of domestic investments and savings dropping, Taiwan is in transition toward greater financial-service dominance. Further liberalization is ongoing as the island consolidates itself as a regional high-technology center. Projected growth, 1994-95: 6.4 to 6.6 percent.

**Singapore** (per capita GNP: \$15,750) saw increased electronic sales; and a boom in the local stock

market raised growth sharply from 6 percent to 9.9 percent last year. The city-state is also moving toward high-technology-based industries and a more service-oriented economy, particularly financial and business services. Further liberalization is under way. Projected growth, 1994-95: 7 to 8 percent.

### China and Mongolia

**China** (per capita GNP: \$380) shifted its policies in 1992 from curbing inflation to encouraging growth and investments, leading to two years of spectacular 13.2 percent and 13.4 percent growth, and unprecedented levels of foreign direct investments. The crush has created bottlenecks in transportation, power and communications while fueling inflation and trade deficits. Widening differentials between the special economic zones on the border and the inland regions has created migration and political problems. Reforms in the huge state sector are slow and controversial. Projected growth, 1994-95: 9 to 10 percent.

**Mongolia** (per capita GNP: \$350) suffered severe economic crises following disruption of tradelines with Russia and the transition to an open market after seven decades of central planning. The slip seems to be abating, with last year's negative 1.3 percent growth an improvement over contractions of 9.9 percent and 7.6 percent in 1991 and '92. Mongolia is still developing basic legal, marketing and banking institutions. No projections available.

### Southeast Asia

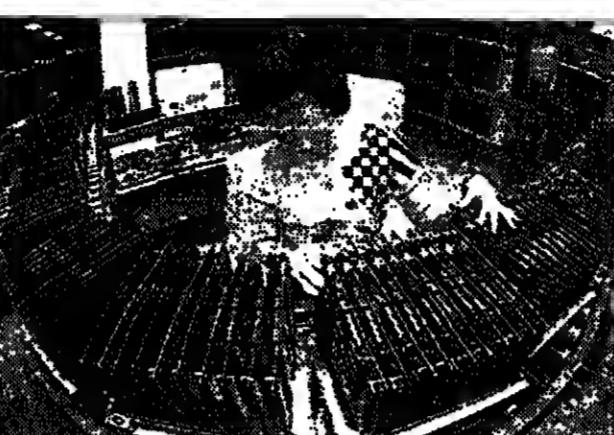
**Malaysia** (per capita GNP: \$2,790) continued to be one of the fastest-rising countries in the region with 8 percent growth. Despite unfavorable conditions in its major industrialized markets that affected its large rubber and cocoa exports, gains were noted in palm oil, electronics and other manufactured goods. Domestic spending was buoyant as the

country consolidated its newly industrialized status. Inflation and a labor shortage are pressing problems. Projected growth, 1994-95: 8.6 to 8.4 percent.

**Thailand** (per capita GNP: \$1,840) continued to post strong 7.8 percent growth. Despite increased trade deficits, rising income from tourism and portfolio investment capital inflows helped keep the balance of payments sound. There was a budget surplus, but problems of urban congestion remain. The textile and garment industry of newly industrializing Thailand and other low-value-added manufacturing have now reached a point where competition from cheaper sources is cutting into their market share, challenging authorities to upgrade technology and efficiency. Projected growth, 1994-95: 8.2 to 8.5 percent.

**Indonesia** (per capita GNP: \$670) reversed its downward trend last year, posting 6.5 percent growth, compared with 6.4 percent in 1992. Despite lower prices for oil, the country's biggest dollar earner, deficits and debt ratios have improved, and stronger performance is expected. Indonesia has begun substantial deregulation and structural reform to open its economy to more private enterprise. But protection levels are high, geographical monopolies prevail, and the state-run sector is still extensive and infrastructure lacking. Projected growth, 1994-95: 6.7 to 7 percent.

**The Philippines** (per capita GNP: \$770) is recover-



High-tech Industries in Singapore are key to growth.

ering from two years of recession caused by the breakdown of its power sector.

New power plants came on stream last year, and increased political stability began to push growth upward, 1.7 percent last year. Garments and electronics are the biggest export items. High fiscal deficits, debt and a lingering inward orientation beset the country. Structural reforms are slow. Projected growth, 1994-95: 4.2 to 5.5 percent.

**Vietnam** (per capita GNP: \$140) received a significant influx of fresh capital from abroad following the end of the U.S. trade embargo. High growth marks (8 percent) followed more open-market reforms, and Vietnam is now expected to be one of the fastest-growing nations in the region. Rice and crude oil are export mainstays, while other products, including coal, coffee, marine products, textiles (primarily silk) and other light industrial goods, are expected to increase sales.

The transition to market economics is just beginning; tax and legal frameworks have yet to be put in place. Projected growth, 1994-95: 5.5 to 6.5 percent.

**The Philippines** (per capita GNP: \$770) is recover-

ing 6.1 percent last year. Following structural reforms toward increased private-sector operations and foreign investments, manufactured goods now account for two-thirds of exports. Inflation has been running at double-digit levels. More reforms and a developing private sector are expected to attract more foreign investments. Projected growth, 1994-95: 5.9 to 6.5 percent.

**Bangladesh** (per capita GNP: \$220) increased growth slightly, from 4.2 percent to 4.5 percent. Limited natural resources, high population density and vulnerability to natural disasters are formidable obstacles. Nonetheless, self-sufficiency in rice has been achieved, and manufactured exports now exceed primary products. Projected growth, 1994-95: 5 to 5.5 percent.

**Bhutan** (per capita GNP: \$180) recently privatized its manufacturing sector. Growth declined marginally from 7.7 percent growth in 1992 to 7 percent last year because of high fiscal and balance-of-payments deficits. Floods reduced agricultural output, and a virus cut cotton production, greatly affecting the spinning industry, which was already reeling from recession in world markets.

Political instability last year caused a slump in business confidence. The outlook for the coming years is better, but diversified industries and more policy reforms will be needed. Projected growth, 1994-95: 5.5 to 6.5 percent.

**Pakistan** (per capita GNP: \$410) buckled from 7.7 percent growth in 1992 to 5 percent from 5.3 percent the previous year. The economic potential of the country has yet to be developed. No projections available.

**Lao** (per capita GNP: \$250) slumped from 7 percent to 4 percent growth last year, mainly because of near-zero growth in agriculture, which accounts for 60 percent of its production. The introduction of a new foreign investment law in the late 1980s led to some inflows, mainly in the hotel and tourism industry. Last year, more long-term development projects in agricul-

ture and forestry were firmed up with the assistance of neighbors China, Malaysia and Taiwan. Bureaucracy, slow reforms and an underdeveloped legal framework present problems. No projections available.

### South Asia

**India** (per capita GNP: \$310) responded to a balance-of-payments crisis at the start of the decade with a structural reform and stabilization program. Liberalization of foreign investment laws led to the doubling of foreign inflows last year; growth was 3.8 percent.

**Cambodia** (per capita GNP: \$200) slowed down from 7 percent growth in 1992 to 5.5 percent last year amid political and economic uncertainties surrounding last year's elections. Growing confidence in the new coalition government seems reflected in domestic investment growth from 10 percent to 14 percent despite power shortages and lack of communications facilities.

Transition to a market economy remains a major objective of the war-ravaged country. A financial structure law that would centralize tax collection took effect only this year. No projections available.

**Nepal** (per capita GNP: \$180) recently privatized its manufacturing sector. Growth declined marginally from 7.7 percent growth in 1992 to 5 percent from 5.3 percent the previous year. The economic potential of the country has yet to be developed. No projections available.

**Maldives** (per capita GNP: \$500), a small economy based on tourism and fisheries, grew 6.1 percent last year. Rising inflation and public deficits require structural and administrative reforms. No projections available.

**Myanmar** (per capita GNP: \$890), formerly Burma, is still a highly regulated economy, with the state monopolizing key industries.

Good agricultural output contributed to last year's 5.8 percent growth. The country lacks basic infrastructure.

No projections available.

**Papua New Guinea** (per capita GNP: \$950) actually had a higher growth rate than China in 1993. A former Australian colony, the island made a killing on crude-oil sales as production from its Kutubu oilfield reached full capacity. But growth is deemed unsustainable. Huge fiscal deficits, lack of growth in non-mining sectors, high unemployment, an exchange-rate regime that militates against the development of competitive enterprise, and poorly developed physical and social infrastructure need to be addressed in the next two years, as economic growth could virtually cease. No projections available.

**Fiji** and other Pacific islands like Cook Islands, Kiribati, Tonga, Tuvalu, Vanuatu and Western Samoa are small economies largely based on tourism, offshore financial services, remittances, agriculture and fisheries. Growth has been positive, but serious deficits plague their governments. No projections available.

## A FRESH LOOK AT REGIONAL FUNDING

**E**here is momentum," says Tomoo Hayakawa, head of the Asian Finance and Investment Corporation, the merchant banking subsidiary of the Asian Development Bank. Countries that have so far remained on the periphery of Asia's industrializing trend may be absorbed sooner than expected, he says.

Last year, the 61-year-old Japanese banker, formerly an ADB executive in industrialized capital centers, broke away from the crush of investors in China, Indonesia and Vietnam and led the five-year-old AFIC to India.

Mr. Hayakawa, who was instrumental in the introduction of new dragon bonds, has also moved quickly to expand his lending and equity investments into capital-market activities. Although the AFIC largely follows the development thrusts of the ADB, which instigated its formation and holds the largest share (30 percent), a recent move to pursue operations in the region's newly industrialized economies (NIEs) - considered "graduates" of ADB assistance - is a step toward more independence and initiative. Twenty-five other financial institutions in Japan, the United States and Europe support AFIC.

AFIC's Singapore capital-market operation, set up late last year, helped underwrite over \$9 million in only three months. With loan approvals rising 112 percent and financing also on the

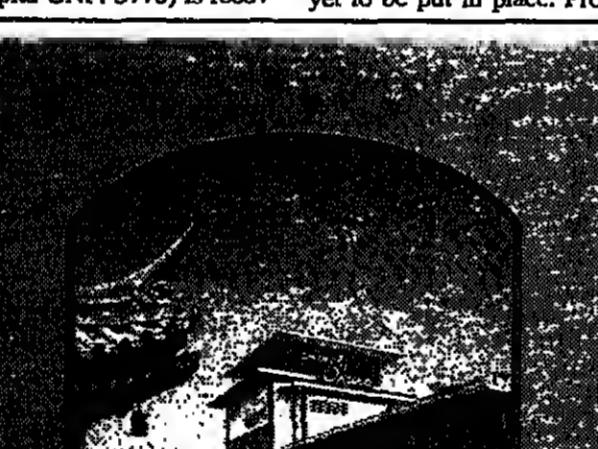
rise, last year's annual report showed a gain in income, from \$6.2 million in 1992 to \$8.7 million.

AFIC finances have largely been concentrated in Indonesia and Pakistan, but 13 project approvals in India worth over \$32 million place the subcontinent on top of the institution's list.

Mr. Hayakawa believes the present \$3 billion so-called dragon capital market will deepen in the coming years. He notes that up to 40 percent of European and American issues eventually find their way to Asia and that the region has huge foreign reserves - \$90 billion in Taiwan, \$30 billion each in Malaysia and Singapore. He sees an upswing in regional investments as a whole.

Increased competitiveness will be demanded of the region's growing ranks of bankers and financial institutions. Borrowers, on the other hand, are maturing. Many are ready to negotiate on equal terms with lenders. Mr. Hayakawa notes, warning that even established regional players who cannot keep in step may fall by the wayside.

"Wipe away preconceptions, look with fresh eyes," he advises investors and financiers. But he confesses that old memories are also behind his bullishness. "When I see bicycles grinding through the dirty, dusty streets of India, Indonesia or Vietnam, I see my boyhood in postwar Japan and am confident that unbelievable change can be just around the corner."



The Hotel Okura is the first choice of executive travellers from all over the world. Why? We invite you to come see and understand.

HOTEL OKURA  
2-10-4 Toranomon, Minato-ku, Tokyo 105, Japan  
Tel: 03-3582-0111 Fax: 03-3582-3707 Telex: J22790

HOTEL OKURA OFFICES WORLDWIDE  
New York Tel: 212-755-0733  
Los Angeles Tel: 213-488-1677  
Amsterdam Tel: 020-6761160  
Hong Kong Tel: 852-1717

The Leading Hotels of the World UTELL INTERNATIONAL



## ASIAN DEVELOPMENT BANK

The Asian Development Bank is an international development finance institution established in 1966 to foster economic and social development in the Asia-Pacific region. The Bank, which is based in Manila, Philippines, is owned by 55 countries from Western Europe, North America and the Asia-Pacific region and is seeking to employ highly qualified professionals who are nationals of its member countries for the following professional staff positions. Women are particularly encouraged to apply.

### ARCHIVIST

The Bank's Archivist will implement an Archive Program and be responsible for its maintenance.

#### QUALIFICATIONS:

- an advanced university degree in library/information science
- eight years of experience in information management, including five years recent experience as records manager/practicing archivist for a large corporation or government agency
- expertise in new information technologies that affect records as well as archival holdings and practices

### INFORMATION OFFICER - AUDIO VISUAL SPECIALIST

The successful candidate will be responsible for producing audio-visual products of international broadcast quality, which will reflect the Bank's activities and priorities. The specialist will produce video news releases; undertake audio-visual editing, conversion, and archiving activities; and conduct audio-visual interviews of management and other resource persons.

#### QUALIFICATIONS:

- recent experience in video scripting, shooting, production and editing, preferably with a large corporation or government agency
- exposure to working with people of different nationalities
- degree in communication arts

### YOUNG PROFESSIONALS PROGRAM

The Bank's Young Professionals Program was established in 1983 to recruit and assimilate annually a small number of exceptionally well qualified younger personnel. The Program is intended to lay the foundation for a challenging and rewarding career in the Bank.

#### QUALIFICATIONS:

- must be 30 years of age or below
- hold a Masters Degree or its equivalent in economics, finance, management, business administration or other fields related to the work of the Bank
- relevant work experience is highly desirable, especially in developing countries

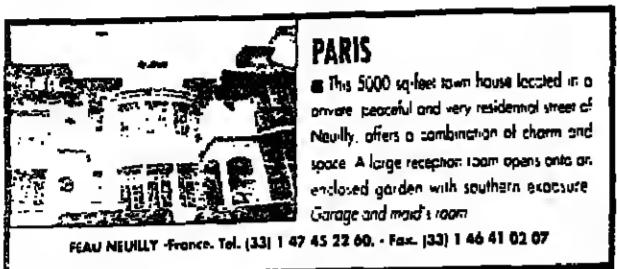
Prospective applicants should note the following:

- Proficiency in written and spoken English is essential.
- It is expected that the above professional staff positions will be recruited at entry level.
- Bank staff generally reside in Manila but may be expected to serve in a regional office.
- The Bank offers a competitive salary paid in U.S. dollars, normally free of tax.
- Those who have applied previously need not re-apply.

Interested persons are requested to either send their curriculum vitae to:

HUMAN RESOURCES DIVISION (REF. NO. 9402), ASIAN DEVELOPMENT BANK  
P. O. BOX 789, MANILA 0980, PHILIPPINES  
or, alternatively, fax directly to:  
(63-2) 741-7961, (63-2) 631-6816, (63-2) 631-7961, (63-2) 631-6816

# SELECTED IN UNIQUE

**PARIS**

■ An 800 square foot town house located in a private peaceful and very residential street of Neuilly, offers a combination of charm and space. A large reception room opens onto an enclosed garden with southern exposure.

Garage and maid's room.

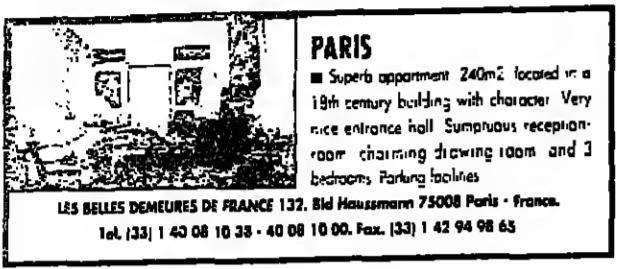
PEAU NEUILLI - France. Tel. (33) 1 47 45 22 60 - Fax. (33) 1 46 41 02 07

**PARIS**

■ On the Champs Elysées, early 19th century town house. The well known Eiffel Tower and the Arc de Triomphe are in sight. This town house is an exceptional residence. 4 stories on 705m<sup>2</sup> plus garage.

PARIS RIVE GAUCHE 82, Avenue de la Bourdonnais 75007 Paris - France.

Tel. (33) 1 47 05 50 36 - Fax. (33) 1 45 55 58 21.

**PARIS**

■ Superb apartment 240m<sup>2</sup> located in a 19th century building with character. Very nice entrance hall. Sumptuous reception room, charming drawing room and 3 bedrooms. Parking facilities.

LES BELLES DEMEURS DE FRANCE 132, Bd Haussmann 75008 Paris - France.

Tel. (33) 1 40 08 10 38 - 40 08 10 00. Fax. (33) 1 42 94 98 63

**PARIS**

■ 250 m<sup>2</sup> original apartment and 200 m terrace in a 19th century town house.

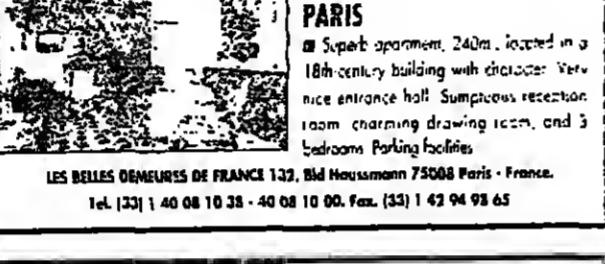
EMILE GARNIER, 18 rue de l'Université 75007 Paris - France.

Tel. (33) 1 42 61 73 35 - Fax. (33) 1 42 61 75 48

**LAKE GENEVA**

■ Magnificent 18th century French-style property overlooking Lake Geneva with vineyards. Wonderful Jura high ceilings, 3/4 bedrooms, 3/4 bathroom, 3 salons with 2 fabulous open fireplaces. Price on application.

CREATIVE MARKETING GROUP - Swiss real Estate, 26, chemin du valon, 1030 Bussigny-près-Lausanne, Switzerland. Tel. (41) 21 701 50 35 - Fax. (41) 21 701 29 67

**PARIS**

■ Superb apartment, 240m<sup>2</sup>, located in a 18th century building with character. Very nice entrance hall. Sumptuous reception room, charming drawing room, and 3 bedrooms. Parking facilities.

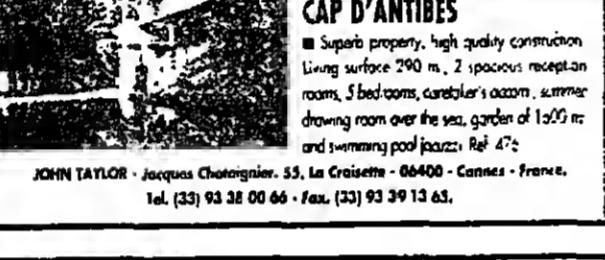
EUROPE PROMOTION IMMOBILIER 88, rue de Provence - 75009 Paris - France.

Tel. (33) 1 44 91 95 15 - Fax. (33) 1 49 95 02 62

**LAKE GENEVA**

■ Built in 1804 this wonderful denoue a listed property fully renovated and redecorated to highest standards is situated in a plot of 100,000 m<sup>2</sup>. Four buildings, caretaker's house, small farm, superb restored orangery.

CREATIVE MARKETING GROUP - Swiss real Estate, 26, chemin du valon, 1030 Bussigny-près-Lausanne, Switzerland. Tel. (41) 21 701 50 35 - Fax. (41) 21 701 29 67

**CAP D'ANTIBES**

■ Superb property, high quality construction. Living surface 290 m<sup>2</sup>, 2 spacious reception rooms, 5 bedrooms, caretaker's room, summer drawing room over the sea, garden of 1500 m<sup>2</sup> and swimming pool. Ref. 472.

JOHN TAYLOR - Jacques Chateigner, 55, La Croisette - 06400 - Cannes - France.

Tel. (33) 93 38 00 66 - Fax. (33) 93 39 13 63.

**GREECE**

■ Traditional style house on Kefalonia.

Full service estate agency providing advice, recommending lawyers and finding houses to specification. In the case of hotel possible to find staff and provide marketing facilities.

HELLENIC PROPERTIES & INVESTMENT SERVICES LTD Salomon 18, Lykavittos, 141 23 Athens, Greece. Tel. & Fax. (30) 01 - 2043060 -

**GREECE**

■ Fully restored windmill in the Cyclades. Hotels, holiday homes, offices, land for development, island town houses, industrial buildings. Cooperation possible with other agents.

HELLENIC PROPERTIES & INVESTMENT SERVICES LTD Room 417, Vassilissis 3, 105 64 Athens, Greece.

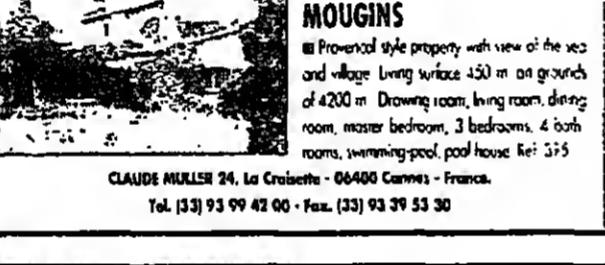
Tel. (30) 1 - 325140 - Fax. (30) 1 - 2254120

**London**

On the instruction of the Crown Estate

■ The gothic villa, Regent's park: 99 year Crown lease for sole joint sole agent. Knight Frank & Riley Tel. (44) 71 429 81 71

LASSMANS 35-37 Davies Street Mayfair London W1N - Tel. (44) 499 3434 - Fax. (44) 71 491 8171

**MOUGINS**

■ Presented style property with view of the sea and village. Living surface 450 m<sup>2</sup> on ground of 4200 m<sup>2</sup>. Drawing room, living room, dining room, master bedroom, 3 bedrooms, 4 bath rooms, swimming pool, pool house. Ref. 515.

CLAUDE MULLER 24, La Croisette - 06400 Cannes - France.

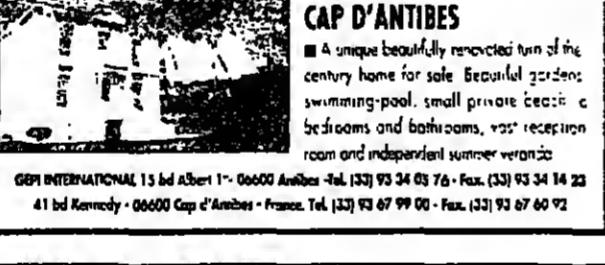
Tel. (33) 93 99 42 00 - Fax. (33) 93 39 53 30

**CAP D'ANTIBES**

■ New property of the extreme tip of the Cap d'Antibes. 700 m<sup>2</sup> living surface. Thermal baths with sauna and jacuzzi. Swimming pool, water-front with private dock. Available year-round for short term rental. Ref. 21233.

JOHN TAYLOR - Jacques Chateigner, 55, La Croisette 06400 Cannes - France.

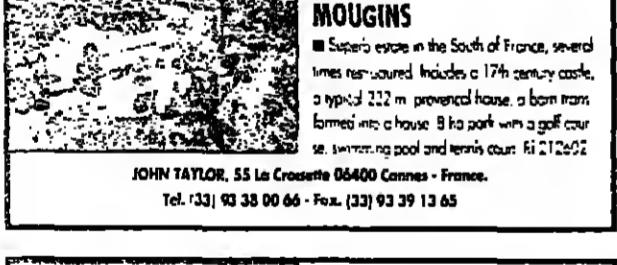
Tel. (33) 93 38 00 66 - Fax. (33) 93 39 13 63.

**CAP D'ANTIBES**

■ A unique beautifully renovated twin of the century home for sale. Extended garden, swimming pool, small private beach, 4 bedrooms and bathrooms, vast reception room and independent summer veranda.

GEPI INTERNATIONAL 13 bd Albert 1<sup>er</sup> - 06400 Antibes - Tel. (33) 93 34 76 - Fax. (33) 93 34 14 23

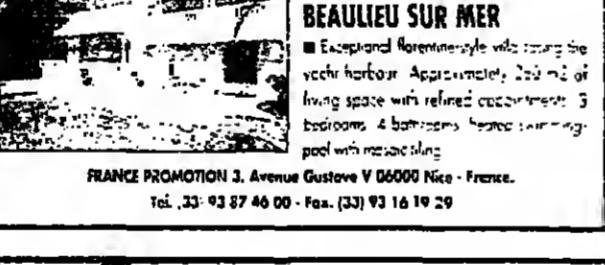
41 bd Kennedy - 06400 Cap d'Antibes - France. Tel. (33) 93 67 99 00 - Fax. (33) 93 67 60 92

**MOUGINS**

■ Separé estate in the South of France, several times renovated. Includes a 17th century castle, a typical 22m<sup>2</sup> provencal house, a barn transformed into a house, 8 ha park with a golf course, swimming pool and tennis court. Ref. 21262.

JOHN TAYLOR, 55 La Croisette 06400 Cannes - France.

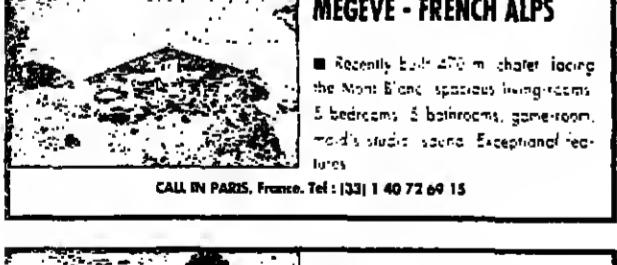
Tel. (33) 93 38 00 66 - Fax. (33) 93 39 13 63

**BEAULIEU SUR MER**

■ Exceeded 18th century villa facing the sea, harbor. Apartment, 250 m<sup>2</sup> of living space with refined decoration, 3 bedrooms, 4 bathrooms. Heated swimming pool with jacuzzi.

FRANCE PROMOTION 3, Avenue Gustave V 06000 Nice - France.

Tel. (33) 93 87 46 00 - Fax. (33) 93 16 19 29

**MEGEVE - FRENCH ALPS**

■ Recently built 470 m<sup>2</sup> chalet facing the Mont Blanc, spacious living rooms, 5 bedrooms, 5 bathrooms, game room, maid's studio, sauna. Exceptional features.

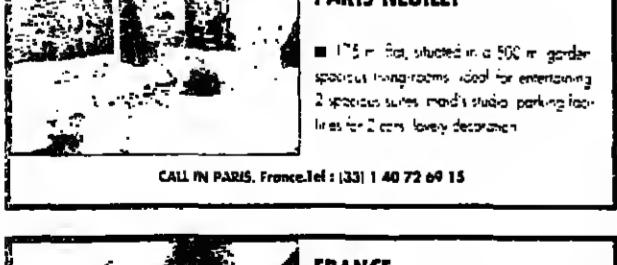
CALL IN PARIS, France. Tel. (33) 1 40 72 69 15

**NICE**

■ Superb property on the hill of Nice. Superb view. Early 19th c. former St. George's church. 1150 m<sup>2</sup> of magnificient landscaped gardens with swimming pool. Main villa on 250 m<sup>2</sup>, 5 bedrooms, 5 bathrooms. Independent guest house 100 m<sup>2</sup>.

FRANCE PROMOTION 3, Avenue Gustave V 06000 Nice - France.

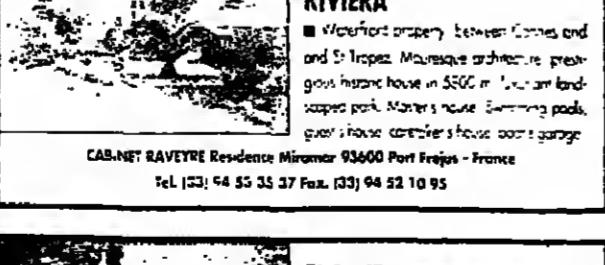
Tel. (33) 93 87 46 00 - Fax. (33) 93 16 19 29

**FRANCE**

■ 17th century castle with 400 m<sup>2</sup> of wooded grounds, with a pond and garden. Very tastefully restored with a selection of original materials, equipped with modern electrical system and heating system.

SEASHORE REALTORS-Dreux Tel. (36) 1 895 2212 or 895 6733 - Fax. 895 8317

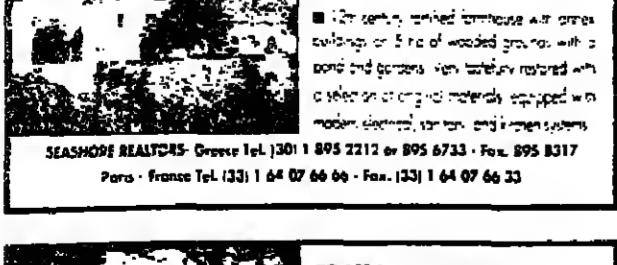
Paris - France Tel. (33) 1 64 07 66 00 - Fax. (33) 1 64 07 66 33

**FRANCE**

■ Chateau de la Loire. Superb restored castle 350 m<sup>2</sup> living area on 25 ha of park. Features decorated with period furniture. Swimming pool. 300 m<sup>2</sup> underground garage. Possible for staying on site. Total 1000 m<sup>2</sup> of living space.

FOR FURTHER INFORMATION, contact owner's office in France, Franchise Brocard.

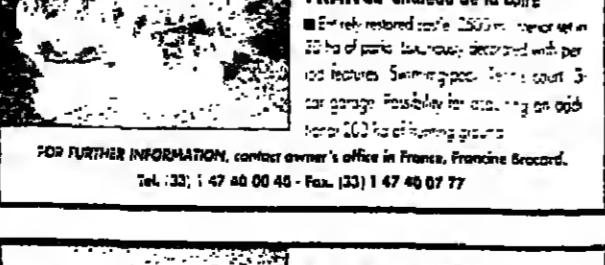
Tel. (33) 1 47 80 00 48 - Fax. (33) 1 47 40 07 77

**FRANCE**

■ Family residence 350 m<sup>2</sup> of living space with a double garage. 3 bedrooms, 3 salons, 2 bathrooms, kitchen, laundry room and central heating system. Total 1000 m<sup>2</sup> of living space.

CLAUDE CHRAUT, RN7 Les Stations - 42310 Fontenay le Chaton - France.

Tel. (33) 38 95 76 30 - Fax. (33) 38 95 70 12

**AIX EN PROVENCE**

■ Set in 1200 m<sup>2</sup> of land including 1000 m<sup>2</sup> of garden, 3 bedrooms, 3 salons, 2 bathrooms, central heating system, swimming pool.

FOR SALE BY OWNER. Tel. (33) 1 47 66 92 00 (Jeffrey) - 1 43 20 15 93 (Hervé)

Fax. (33) 1 47 66 11 34

**6 ISSUES/1 YEAR**

• FF 150

• £ 18

• DM 60

• SF46

• BF 1150

• Lit 50 000

• Pta 4000

• USA \$ 36.00

• Can. US \$ 46.00

• Other countries

US \$ 50.00

**SUBSCRIBE TODAY AND UNIQUE WILL BE DELIVERED DIRECTLY TO YOU!**

1 year/6 issues rent by annual: Europe/Euro: US \$ 30.00 - USA: US \$ 36.00 - Canada (including GST): US \$ 46.00 - Other countries: US \$ 50.00

Name Mr./Mrs./Miss \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State /Country \_\_\_\_\_

Zip \_\_\_\_\_

Payment by credit card only \_\_\_\_\_

Please charge my \_\_\_\_\_

Visa \_\_\_\_\_ Master Card \_\_\_\_\_ Amex \_\_\_\_\_

Diners Club \_\_\_\_\_

Card number \_\_\_\_\_

Expiration date \_\_\_\_\_

# SELECTED IN UNIQUE

**MOORINGS**  
Preferred Yachting Holidays  
■ Widest fleet of Crewed Yacht Charter 50 to 100' customized. Cruise for family, friends or corporate and incentive travel: Caribbean, Bahamas, Polynesia. Brochure, info, res. please contact:  
UK: Tel. (44) 843 22 71 40 - Fax. (44) 843 22 87 84

**LEGEND OF TINTAGEL**  
■ 143' (43.5 m) Ocean passage making luxury motor yacht. Built Italy, 1982. Lloyd's Class Acco for 12 in 6 suites plus crew. Sumptuous interior. Latest new equip. Except Charter record Corp. Med. For detailed price  
YACHTING PARTNERS INTERNATIONAL U.K. Tel. (44) 0273 577222 - Fax. (44) 0273 577220  
or France Tel. (33) 93 34 01 00 Fax. (33) 93 34 20 40

**EL BRAVO** 208.24' (63.50m), 1991  
FOR SALE AND SELECT CHARTER  
■ Possibly the most exciting modern large yacht to become available in recent times: 11 double cabins, 3 bars, 2 saloons, swimming pool, helicopter deck, etc.  
NIGEL BURGESS Monaco, Tel. (33) 93 50 22 64 - Fax. (33) 93 25 15 89  
London, Tel. (44) 071 839 4366 - Fax. (44) 071 839 4329

**PHILANDERER** 131.24' (40.00m),  
1992 FOR SALE AND CHARTER  
■ A superb high-performance sailing yacht available in the Mediterranean this summer. Excellent accommodation for 8 to 10 guests.  
NIGEL BURGESS Monaco, Tel. (33) 93 50 22 64 - Fax. (33) 93 25 15 89  
London, Tel. (44) 071 839 4366 - Fax. (44) 071 839 4329

**49.6m (163') CODECASA**  
■ Exceptional '91 Italian yacht. Acco for up to 14 and full width owner's staterooms off-axis and central deck int. Seaworthy combined with soph machinery + systems and a very long range (5000 N miles). Interesting for prospective owner with long distance cruising in mind.  
CAMPER & NICHOLSONS LONDON, Tel. (44) 71 491 2950 Fax. (44) 71 629 2668

**D.S. MARITIME**  
**YACHTING SYNDICATION**  
YACHT OWNERS - WISHING TO SELL, we may have an alternative solution through our yachting syndication and management programme. Please call to discuss.  
D.S. MARITIME FRANCE Tel. (33) 93 65 63 56 - Fax. (33) 93 65 07 78

**MOORINGS** luxury Class  
■ In 15 years from the world's most beautiful sail yachts. All that you could wish for excellent crews. From Rio to Vancouver all inclusive charter, access, in the best cost of comfort, service for 8, pampered by 3 crew. Brochure, info, res.  
MOORINGS International France Tel. (33) 1 42 61 66 77 - Fax. (33) 1 42 97 42 58  
UK Tel. (44) 843 22 71 40 - Fax. (44) 843 22 87 84

**J-CLASS VELSHEDA**  
Seriously for sale  
■ In 128'/39 m. Unique chance to buy one of the world's 3 existing J-Class (1933) under reconstruction. Interior may be modified. All designs and bids from various shipyards available.  
For further information, contact owner's office in France, Francis Brocard.  
Fax. (33) 1 47 40 07 77 - Tel. (33) 1 47 40 00 40

**RENT A PRIVATE YACHT**  
■ Cruise the Med or quiet ports, discover the most magic hideaways on board one of our luxury privately owned yachts. Highly qualified staff will help you to tailor your chartering programme and will meet all your requirements; contact our office in Marseilles, France.  
RENT A YACHT, Tel. (33) 93 49 74 04 - Fax. (33) 92 97 64 47

**JONGERT 20DS**  
UNIQUE OPPORTUNITY  
■ Irresistible spacious yacht coupled with flawless woodwork. Most complete instrumentation and equipment ever to be built into a Jongert yacht. "Goddess of Hamble" is quite simply unique. 73'3" / 22.5m, 6 berths in 3 cabins.  
delen International, Germany: Phone (49) 211/3555103 - Fax (49) 211/364000

**M.Y. MIDSUMMER**  
■ 40m motor yacht berthed in the South of France for sale and charter in the Med 1994 season. Comfortably accom. 12 in 2 grand master staterooms and 4 guest cabins ensuite bathrooms. Unique sun deck, unobstructed, large sunbathing area. Top speed over 20 knots.  
Information or brochures, contact Tel. (44) 071 490 8376 - Fax. (44) 071 490 8350

**BLUE ATTRACTION**  
■ 110' (33m), Amanis 1993. Extensive refit in 1993, including new gold leaf, carpets, generators, pointwork, etc. 2 x 425 hp CAT, 13 in, 3,000 miles range. Accommodates 10 guests in 5 luxurious double cabins, 7 crew. For charter in the Caribbean and Mediterranean.  
LÜRSSEN YACHTS Spain, Tel. (34) 71 700445 - Fax. (34) 71 700551

**JONGERT 2100S**  
FOR SALE AND AVAILABLE FOR CHARTER  
■ The modern sloop combines comfort and speed with maximum safety of sea. "Scorpio" is in excellent condition and will make you feel completely at home. 49'5" x 18'6", 8 (10) berths in 4 cabins.  
delen International, Germany, Tel. (49) 211/3555103 - Fax (49) 211/364000

**131' MOTOR YACHT**  
For sale by tender  
■ Launched 1992. Transocean range. Comfortable accommodation for 14 guests and 8 crew. For more details, please contact our office.  
DS MARITIME LTD. UK - Tel. (44) 0 703 454 995 - Fax. (44) 0 703 454 021

**COLOMBO SUN**  
■ 126' (38.5 m) 1991 Dutch world cruising motor sloop, high qual. 6 double cab., big ext. after deck space, lots well, fit features of luxury motor yacht. Modern self handling equip. Up to date electronics, com. Very attractive price.  
YACHTING PARTNERS INTERNATIONAL U.K. Tel. (44) 0273 577222 - Fax. (44) 0273 577220  
or France Tel. (33) 93 34 01 00 Fax. (33) 93 34 20 40

**LADY SUFFOLK II**  
141.08' (43.00m), 1992  
FOR SALE AND CHARTER  
■ Attractive Terence Disdale interior, spacious deck areas and very comfortable accommodation for up to 12 guests.  
NIGEL BURGESS Monaco, Tel. (33) 93 50 22 64 - Fax. (33) 93 25 15 89  
London, Tel. (44) 071 839 4366 - Fax. (44) 071 839 4329

**AZIMUT 86' FLORIDA**  
■ 26.20m built by AZIMUT 1988. Fiberglass imm. techn. + aesthetic cond. ABS Class. Full deck and Satcom. Gens. Elec syst. 50 Hz converted to 60 Hz. 2x1025 hp GM 22 in cruise speed. Acco for 8 in 3 double cabin with priv. bath, step crew quarter for 4. On show in Cannes.  
CONTACT: AZIMUT SPA Tel. (39) 11 9367271 - Fax. (39) 11 9367270. Mrs. CINATO

**46.95m (154') HITACHI ZOSEN**  
■ Magia! 1987 ketch fine sailing cap. combined with conf. of large motor yacht. Built 1992, extended deck int. to add open air dining, recreation space. Acco for 8 in 4 staterooms incl. owner's suite, well-equip gym, dining saloon, library, Main salon on top deck. Covered dance floor.  
CAMPER & NICHOLSONS LONDON, Tel. (44) 71 491 2950 Fax. (44) 71 629 2668

**132' HEESEN / DIASHIP**  
■ Remarkable yacht, 3 MTU 10,500 hp, speeds approaching 50 knots. Called fastest megayacht in the world. Speed + comfort. Int. design Frank Mulder, 4 conf. guest staterooms and a master suite, on the main deck. Every possible amenity for luxurious living aboard.  
CAMPER & NICHOLSONS LONDON, Tel. (44) 71 491 2950 Fax. (44) 71 629 2668

**UNIQUE**  
YACHTS • CARS • AIRCRAFT • HOUSES • ARTS  
THE FIRST INTERNATIONAL MAGAZINE  
FOR HOUSES, CARS, YACHTS, CRUISING, AIRCRAFT,  
ARTS, AND UNIQUE PEOPLE...

**MOONEN 72**  
FOR SALE  
■ This luxurious motor yacht has been designed for worldwide cruising with a high level of comfort. 72'7" / 22.18m, 2 x Volvo Penta/2 x 216 kW (2 x 292hp). Maximum Speed 11.5kn, 8 berths in 4 cabins.  
delen International Germany, Tel. (49) 211 3555103 - Fax (49) 211 364000

**SEA CREST**  
36m 120'  
■ The classic gentleman's yacht Sea Crest is for sale and also available for charter. For full information, please contact our office in Antibes France Peter Insull's Yacht Marketing.  
PETER INSULL'S YACHT MARKETING Tel. (33) 93 34 44 55 - Fax. (33) 93 34 92 74

**PRINCESS TANYA**  
Luxury charter in the Med and Carib  
■ 188.99' (57.00m) lux motor yacht very high spec 1981 Austin and Pickering Ltd. Extens refined refit 1992. 2x400hp Sulzer diesel eng. Cris speed 12 knots. Super wood panelled rooms for 18 in 9 staterooms, plus crew.  
Contact your Charter Broker for full information and colour brochure.

**AZIMUT 90' AKOMFA**  
■ 27.40m, fiberglass boat built Italy AZIMUT in 1992. ABS Class. Full electronics. 2 x 1525 hp MTU cruising speed 23 knots. Acco for 8 in 4 double cabins with private bath, step crew quarter for 4 in 3 cabins. 6 months warranty coverage. On show in Hong Kong.  
CONTACT: AZIMUT SPA Tel. (39) 11 9367271 Fax. (39) 11 9367270. Mrs. CINATO

**32m (105') GERMAN FRERS**  
■ 1993 neoclassic, elegant 105' foot open cruising sloop. Exquisite workmanship standards. 4 deck guest cab., ocean for 8 crew. American cherry int., flush deck centre guest cockpit, off steering cockpit. For worldwide family cruising or the ultimate charter yacht.  
CAMPER & NICHOLSONS LONDON, Tel. (44) 71 491 2950 Fax. (44) 71 629 2668

**FIFE 105**  
■ 32 x 5.20 x 4.20m, built 1920 by William Fife. A Unique J-Class, once owned by Prince Rainier of Monaco. 350 Sq.M.sail, 2 x Rolls Royce 185 hp, 12 knots, generators, Airon, Radar, GPS, Autopilot, SS, Accommodation for 10 passengers + crew.  
SEAHORSE Greece, Tel. (30) 1 8952 212 - Fax. (30) 1 8958 317

**SHIPHEAD 116**  
■ von Len Holland 1973, excellent cond. 35.30 x 6.52 x 2.1, steel, skin superstructure, 2 x Col 610hp, 1200 hours, 12/14 kn, range 3200nm, 2 x gen. 90kW, 3 staterooms, dining + main salon, study, powder room, captain + crew quarters, 2 galley, \$4,000,000.  
SEAHORSE Greece, Tel. (30) 1 8952 212 - Fax. (30) 1 8958 317

**A & R CRUISING KETCH**  
■ 118' semi custom fast aluminum world cruiser. Launching sept 94. Design Ron Holland. Fully captive sail handling. Three generators. Variable pitch prop. All diesel MTU Mercedez.  
ANKING & RASMUSSEN, Tel. (49) 421 733 532 - Fax. (49) 421 7 33115  
US office in Ft Lauderdale, Fla. (1) 305 522 4007 - Fax. (1) 305 522 1161

**PORSCHE 959**  
RALLY PARIS-DAKAR  
■ Factory team car, 1985. R. Metge / D. Lemoyne. Out of a total of six 959 Rally cars this is only one privately owned.  
ELEVENPARTS AG, Box 94, 8046 Zürich, Tel. 41 1 372 17 85 - Fax. 41 1 371 53 58

**MERCEDES 300 SL ROADSTER**  
■ Finished in ivory with red hide, a comprehensive restoration was carried out in around 1988, an excellent example of this 50's classic.  
TAYLOR & CRAWLEY, 19 Grosvenor Crescent Mews, London, SW1X 7EZ, Tel. (44) 0 71 233 2599 - Fax. (44) 0 71 235 7716

**ASTON MARTIN DB5**  
■ Convertible, finished in Godwood green with the original tan hide interior, the car is in excellent condition with a comprehensive history, inc. £62,000.  
TAYLOR & CRAWLEY, 19 Grosvenor Crescent Mews, London, SW1X 7EZ, Tel. (44) 0 71 233 2599 - Fax. (44) 0 71 235 7716

**D.S. MARITIME**  
Yachting syndication  
■ Management. Tomorrow's way of yacht ownership. The logic of sharing the use and cost of a new or second-hand yacht between a small number of equity co-owners supported by professional management, is incomparable.  
D.S. MARITIME FRANCE Tel. (33) 93 65 65 56 - Fax. (33) 93 65 07 78

**TO ADVERTISE IN UNIQUE PLEASE CONTACT**  
Alexandra Guillard or Véronique Manios  
on Tel. (33) 1 42 30 81 00 or Fax. (33) 1 42 24 00 72

# SPORTS

## Olajuwon Is Becoming Trail Blazers' Catch 22

The Associated Press

The Portland Trail Blazers first tried double coverage on Hakeem Olajuwon. That didn't work.

They then tried single coverage to put more pressure on Houston's outside shooters, and Olajuwon burned them with 46 points and a late shot-blocking display as the Rockets beat the visiting Blazers, 115-104, on Sunday night to take a 2-0 lead in the best-of-5 Western Conference series.

"It was a surprise at first, but I made some adjustments," Olajuwon said of the latest strategy.

When the Blazers double-teamed Olajuwon in Friday night's opener, he still scored 26 points, and Vernon Maxwell added 24.

This time, he got 10 points in the first quarter of a game that Portland led only once, at 4-2. He had six blocked shots and eight rebounds.

The Trail Blazers stayed close in the fourth quarter, but every time they threatened to get the deficit below five, Olajuwon was there to stop them.

With 1:38 left, he blocked a shot by Clyde Drexler, his former teammate at the University of Houston.

With 1:11 to play, he caught up with Rod Strickland on a fast break and swatted away a layup that would have cut Houston's lead to 104-100.

"He probably saw me, but he

didn't have any idea I could cover so much space so quickly," Olajuwon said.

The closest the Blazers got in the late going was 98-93 with 4:38 left.

"With the Dream in the middle blocking every shot, and shooting 15-foot fadeaways there's nothing you can do," Drexler said. "We've

### NBA PLAYOFFS

got to come up with something else. We've got to do something different in Game 3 and I don't know what it is."

That game of the best-of-5 series will be played Tuesday night in Portland.

Of the eight best-of-5 first-round playoff series, only two were tied at a game apiece.

The Orlando Magic and Denver Nuggets faced elimination Monday night, while New Jersey, Cleveland and Golden State as well as Portland could depart Tuesday or Wednesday, having put themselves in that predicament with losses Sunday.

Early in the day, the Nets fell to New York, 90-81, then the Cavs lost to Chicago and the Warriors were beaten by Phoenix.

Bulls 106-96: Cavaliers 96-Chicago, playing at home, went with the strategy that worked in Game 1: shutting down Mark Price.

Price, held to nine points Friday, managed just 14 on 5-of-14 shooting.

ing. He is Cleveland's main offensive weapon because of injuries to big men Brad Daugherty, John Williams and Larry Nance.

"The way Price goes, the Cavaliers go," Scottie Pippen said.

"We're focusing as a team on

Chicago had a three-point lead beginning the fourth quarter and built it to 10 with 7:06 left as Pippen sank a jumper and B.J. Armstrong made a 3-pointer. The Cavs weren't able to mount a serious threat down the stretch.

Game 3 will be played Tuesday night in Richfield, Ohio.

Suns 117, Warriors 111: Guard Kevin Johnson took over the game in Phoenix, scoring 15 of his 38 points in the final 5:02 of the third period, most on layups.

"He literally said, 'Don't shoot any more jump shots,' and stuff like, 'Get outta lay-ups and get people involved,'" Johnson said of a halftime lecture he received from the Suns' coach, Paul Westphal.

Phoenix trailed most of the game, but Johnson made a three-point play, sank two more shots and then tied it at 86 with a technical foul free throw with 58 seconds to go in the third. A.C. Green made two free throws to put Phoenix ahead for good, 88-86.

Game 3 will be played Wednesday in Oakland, California.



Barry Izsak/T. Associated Press  
The Bulls' Horace Grant, left, and Bill Hennington doubling up on Mark Price: when he was shut down again, so were the Cavaliers.

### SCOREBOARD

#### Major League Standings

##### AMERICAN LEAGUE East Division

Boston W L Pct. GB  
12 17 .400 1.000  
Baltimore 12 17 .400 1.000  
New York 15 9 .625 2.000  
Toronto 14 11 .544 4.000  
Detroit 8 14 .364 8.000

##### Central Division

Cleveland 12 11 .545 4.000  
Milwaukee 12 11 .545 4.000  
Chicago 12 11 .545 4.000  
Kansas City 11 11 .500 1.000  
Minnesota 10 16 .385 7.000

##### West Division

Seattle 12 12 .500 1.000  
Texas 9 17 .455 3.000  
California 9 17 .364 3.000  
Oakland 7 18 .263 5.000

##### NATIONAL LEAGUE East Division

Atlanta W L Pct. GB  
15 10 .500 1.000  
Montreal 14 10 .583 2.000  
New York 12 11 .545 2.000  
Florida 13 12 .520 2.000  
Philadelphia 10 14 .417 3.000

##### Central Division

Cincinnati 12 9 .500 1.000  
St. Louis 12 9 .500 1.000  
Pittsburgh 13 10 .545 2.000  
Houston 13 11 .545 2.000  
Chicago 12 12 .500 2.000

##### NATIONAL LEAGUE West Division

San Francisco 12 12 .500 1.000  
Colorado 11 12 .478 1.000  
Los Angeles 11 12 .478 1.000  
San Diego 7 18 .263 5.000

##### Sunday's Line Scores

**AMERICAN LEAGUE**  
Milwaukee 000 232 200-2 6 3  
Detroit 033 220 000-8 3 3  
McDonald, Schuer 14; Cook 6; Hernan-  
dez 81; and Korkosz, Lovalliere 101; Do-  
nary, Krueger 10; O'Donnell 10; and Fer-  
raro, W. 10; Womack, 10; and Yost, 14.  
Sv-Henneman 15; HR-Detroit, Olson 51;  
Texas 110 110 100-5 1 1  
Cincinnati 000 100 100-1 1 1  
Givens, Wehner 12; Mercer 17; McMi-  
chael 17; and Lutz 12; L-Givens, 53; HR-  
Justice, 12; and Wilson, 12; and Wilson,  
12; Los Angeles 010 110 000-4 4 0  
New York 010 110 000-4 4 0  
Astacio, McDowell 12; Goff 17; and  
Wells, 17; and Wilson, 12; and Wilson,  
12; and Wilson, 12; and Wilson, 12; and  
Hundley, 12; and Womack, 12; and  
Sv-France 61; HR-L.A., Mandel 12; N.Y.-  
Hundley 2 (8); Orsulik 12; Burnside 12;  
Cincinnati 11; and Wilson, 12; and Wilson,  
12; and Wilson, 12; and Wilson, 12; and  
Freeman, Reed 17; Ruffin 17; and Gordan,  
Young, Crim 17; Sullinger 10; and Wilkins,  
W-Freeman, 3-8; L-Yardng, 6-2; HR-Cof-  
foco, Johnson 21.

**PEANUTS**

Mr. Wilson says he's got the world on a string  
an he don't want me to knit in it.

**JUMBLE**

THAT SCRABBLE WORD GAME  
by Harry Kroll and Bill Kroll

Marre  
Indows  
Tugoni  
Anno-were

Amberly  
Tuesday's Jumble: 1. AMBERLY; 2. TUGONI; 3. MARRE; 4. INDOWS; 5. ANNO-WERE.

**MARRE**

Dorah  
Indows  
Tugoni  
Anno-were

Amberly  
Tuesday's Marre: 1. DORAH; 2. INDOWS; 3. TUGONI; 4. ANNO-WERE.

**DOONESURY**

Box for You Sarge  
At last! I've been waiting for that!

What is it?

Toenail Scissors for the weight impaired

Don't be selfish, you're just artistic

Not really, a little amateur photograph, that's it.

WEE

Hand deli

Just a

"Independent A

To our readers in Switzerland!  
It's never been easier to subscribe  
and save.

Just call our Zurich office  
tel: free:

155 57 57

or fax: (01) 481 82 88

## Rangers Roll On, Routing Capitals

The Associated Press

The New York Rangers, with the best regular-season record in the National Hockey League, continue to flex their muscles.

Coming off a four-game sweep of the New York Islanders and a full week's rest, the Rangers began their second-round series with a 6-3 victory over the Washington Capitals on Sunday night in Madison Square Garden.

The second game of the best-of-7 series will be played Tuesday night in New York.

The Rangers put the game out of reach with three straight goals, the first Brian Leetch's tiebreaker at 12:47 of the second period.

Brian Noonan, obtained by the Rangers in a late-season trade with Chicago, then scored his second of the game at 15:45 to make it 4-2, and Greg Gilbert and Mark Messier added third-period goals as the Rangers continued to dominate the Capitals, whom they beat in five of six games in the regular season.

"We made some mistakes in our defensive coverage," said Washington's coach, Jim Schoenfeld. "We had situations where we were outmanned and outmuscled."

The Rangers, who have outscored the opposition in the playoffs 26-8, got another goal from Stephane Matteau, obtained with Noonan. Michal Pivonka, Kelly

Miller and Mike Ridley scored for Washington.

In an earlier game, reported in some Monday editions:

Bruins 2, Devils 1: Bryan Smyth and David Shaw scored early and goaltender Jon Casey and the goalposts made the lead stand up in East Rutherford, New Jersey, as Boston took a 1-0 lead in that series.

While the level of play wasn't spectacular, there was plenty of ex-

### STANLEY CUP PLAYOFFS

citement down the stretch as New Jersey tried to tie.

Casey, who finished with 34 saves, stopped Claude Lemieux on a shorthanded breakaway early in the third period, then Randy McKay hit the right goalpost on a breakaway. Five minutes later, Bruce Driver hit the left post with a shot from the blue line and Bernie Nicholls, who scored the Devils' goal, was stopped by what appeared to be a combination of Casper's glove and the crossbar on the rebound.

"Jon Casey won us the game," said the Bruins' captain, Ray Bourque, the coach. "He played an outstanding game. He made the key saves down the stretch. We didn't open it up and they poured it on us at times. We had to have Casey today because we didn't play that great a game. It was sluggish at times."

## World Cup Seats Still Available By Calling U.S.

Reuters

ZURICH — Tickets for most of this summer's World Cup matches, including the two semifinals and three of the quarterfinals, are still on sale, FIFA said Monday.

It said tickets for 35 of the 52 matches could be ordered directly by telephone, by calling 213-365-6300 in the United States.

The final in Los Angeles on July 17 is sold out but tickets remain for the semifinals in New Jersey and Los Angeles.

The only quarterfinal with all seats taken is the one in New Jersey on July 10.

Among other matches sold out, FIFA said, were Germany's two in Chicago, Argentina's two in Boston and Italy's three in New Jersey and Washington.

All Mexico and Ireland's group matches are also fully booked, as is the Brazil-Cameroun match in San Francisco.

## Finns' Pros Rout Those Of U.S., 7-2

Compiled by Our Staff From Reuters

ALBA DI CANALE, Italy — Team USA was handed its second straight loss Monday at the World Ice Hockey Championship, losing by 7-2 to Finland and the stick-handling of the Los Angeles Kings' Jari Kurri.

Germany, with a 3-1 loss to Italy, had its chances of reaching the quarterfinals badly dented, while Norway now faces a repeat playoff after a 4-1 loss to France.

Kurri had a goal and two assists, while fellow NHL veteran Jarmo Helmisen had three assists and a goal, as the Finns matched the hard-hitting style of the United States' NHL pros, then outskated them on both ends of the larger European rink.

The U.S. finished 3-2 and Finland 4-1 in Group B. Both qualified for the medal round, which begins Wednesday in Milan.

The Germans only need a tie but never recovered from Italy's two quick goals at the end of the first period. A defensive error in the third period ended their chances.

Italy's Lucio Topiash scored on a breakaway in the 15th minute. Less than a minute later, Stefan Figliuzzi netted a speculative long-range shot. Then, in the 52nd minute, German defender Andrei Niederberger lost control of the puck near the net, and Mario Catarini easily made the score 3-0.

Austria will get the final qualifying spot from Group A on Tuesday if it beats Britain by five or more goals. The British have conceded 34 so far.

Whoever gets the last Group A place in the quarterfinal will have to face the Finnish team.

In later games, Sweden played the Czech Republic in Group E. In Group A, undrafted Russia and Canada faced off.

### Sunday's NBA Playoffs

#### CONFERENCE SEMIFINALS (Best-of-7)

East: 1-0-0-0-0-0-0

New Jersey, 2-0-0-0-0-0-0

West: 1-0-0-0-0-0-0

Seattle, 2-0-0-0-0-0-0

Portland, 2-0-0-0-0-0-0

Houston, 2-0-0-0-0-0-0

Phoenix, 2-0-0-0-0-0-0

San Antonio, 2-0-0-0-0-0-0

# SPORTS

INTERNATIONAL HERALD TRIBUNE, TUESDAY, MAY 3, 1994

Page 23

## FIA Schedules Emergency Meeting to Examine Formula One Safety



Mourners caused traffic jams as they gathered Monday in front of the Istituto Di Medicina Legale di Bologna, where Ayrton Senna's body had been taken.

### Cause of Senna's Fatal Crash Still Unclear

Compiled by Our Staff From Dispatches

**PARIS** — The International Automobile Federation said Monday it had scheduled an emergency "top-level" meeting Wednesday at its headquarters here to discuss Formula One safety following the deaths of Ayrton Senna and Roland Ratzenberger at the San Marino Grand Prix.

A statement said "FIA is gathering reports from its technical, medical, safety and supervisory staff, as well as from the relevant team and circuit personnel. As soon as these reports are received, they will be studied as a matter of urgency."

The statement added that "only when all the facts are known will it be possible to determine if the additional safety measures introduced in 1993 and 1994 need to be extended, those already agreed for 1995 brought forward, or whether further measures should be introduced."

Senna, the three-time world champion from Brazil, died after a high-speed crash during Sunday's race, 24 hours after the Austrian driver Ratzenberger was killed during qualifying for the race.

In one of the most tragic weekends in Formula One history, the 34-year-old Brazilian failed to make the Tamburello turn on the seventh lap at the Imola track and hit the concrete wall head-on at more than 300 kph (168 mph). Ratzenberger, a rookie driver, was killed in a similar accident.

"At the moment, we really don't know anything about the cars involved in the accidents or the circuit safety which we didn't know already," said FIA's spokesman, Martin Whitaker.

He said the black box from Senna's Williams Renault would be flown to Britain for examination within the next few days. In addition, a FIA safety commission would examine the Imola track, one of the fastest on the Formula One circuit.

Senna was among many critics of FIA's decision designed to eliminate electronic drivers' aids, particularly the phasing out of electronic "active" suspension.

In an article for Germany's biggest Sunday newspaper, Welt am Sonntag, which appeared on the eve of the race that killed him, Senna wrote about "the technical weak points of my Williams-Renault."

"My car reacts a bit nervously on this kind of race surface. This stems

from its special aerodynamics but it's also got to do with a difficulty in the suspension."

Michael Schumacher of Germany, who won Sunday's race, was behind Senna at the time of the crash. He said he noticed only that Senna had uncharacteristically looked "very nervous from the first lap" and that the car took "two or three bumps and went off."

Max Mosley, FIA's president, said in London that the two deaths were unfortunate coincidence, not a sign of slipping standards.

"We can get a very high level of safety, but we will never be able to guarantee it," he said. "It's still not possible to run it at a level that's exciting for the participants and the spectators and to guarantee safety."

"I think we have to look very carefully at what has happened and maybe something will emerge that is very useful and will save someone's life in the future."

"But it may be we will turn round and say if you want to race at this speed, every now and then this is going to happen."

In Brazil, President Itamar Franco decreed three days of mourning and ordered the flag flown at half-staff.

Foreign Minister Celso Amorim said Senna's body would be flown to Brazil on Tuesday night.

A 28-year-old spectator, struck by a wheel the came off during a crash on the starting grid, remained in a deep coma with massive bruising to the brain, doctors in Bologna said.

That crash was caused when the Lotus driven by Pedro Lamy of Portugal hit the back of the Benetton driven by J.J. Lehto of Finland.

(Reuters, AP, AFP)

## Dykstra, With Homer and Injury, Inspires Phillies

The Associated Press

Benji Dykstra was involved in two hard hits. He led off the bottom of the first by hitting a home run; then two innings later hit his back trying to make a catch.

Dykstra opened the Philadelphia Phillies' 6-4 victory over the San Francisco Giants with his third homer of the season. He hurt himself diving trying catch Matt Williams' bases-loaded triple in the third, and came out in the bottom half of that inning with a扭伤 of the lower back.

"I hit the lower part of my back full-speed into the wall, but I'll be all right," Dykstra said.

The Phillips tagged Bill Swift — who had won all five previous decisions against them — for 12 hits in 2½ innings.

### NL ROUNDUP

might have to change some things around tomorrow. The effort is not a problem but I might have to try different plans — A, B, C and D — and maybe go back to Double-A."

**Cardinals 6, Astros 5:** Bob Tewksbury became the first six-game winner in the majors as St. Louis won in Houston.

Ray Lankford homered on the

first pitch of the game, then in the eighth was hit by Mike Hampton's pitch with two outs and later scored the go-ahead run on a single by Gregg Jefferies.

Tewksbury won despite allowing five runs and nine hits in seven innings. Luis Gonzalez tied it at 5 for Houston with a three-run homer in the sixth.

Expos 3, Padres 2: Mike Lansing made up for a costly error by singling home Montreal's winning run in the bottom of the 11th inning.

Lansing let Ricky Gutierrez's hard grounder to second base go through his legs for a three-base error, setting up San Diego's two-run rally in the eighth that made it 2-2.

But in the 11th, Sean Berry doubled off Tim Mauser with one out and pinch-hitter Randy Milligan

walked. After a wild pitch moved them up, Lansing hit a grounder through the legs of third baseman Keith Lockhart. It originally was scored as an error, then changed to a hit after the game.

**In earlier games, reported in some Monday editions:**

Pirates 3, Padres 2: Mike Wagner pitched a three-hitter to beat Tom Glavine, and hit a two-run double, as Pittsburgh swept a three-game series from visiting Atlanta for the first time since August 1986, in the manager Jim Leyland's rookie season with Pittsburgh.

Glavine took a four-hit shutout into the sixth, but Jeff Kipnis and Orlando Merced got RBI singles and Wagner hit his two-run double.

Marlins 9, Reds 4: Against visiting Cincinnati, Gary Sheffield hit

his 11th home run and Florida improved to 13-12, just the second time the Marlins have been over .500.

Mets 7, Dodgers 4: Todd Hundley hit two bases-loaded homers, Joe Orsulak hit a three-run homer and Jeremy Burnitz hit a two-run shot as New York defeated visiting Los Angeles.

Rockies 6, Cubs 2: Chicago fell to 0-10 at Wrigley Field this season, matching the longest home losing streak in team history, after pitcher Nelson Liriano and Mike Kingery each delivered two-run singles during Colorado's four-run seventh.

The Cubs are the only club in the majors winless at home this year. The only other time they lost 10 in a row at Wrigley Field was in 1974.

"My car reacts a bit nervously on

### SIDELINES

#### Rominger Pulls Away

BENIDORM, Spain (AP) — Two-time defending champion Tony Rominger of Switzerland continued to make the Tour of Spain a one-man race by winning Monday's time trial and stretching his overall lead after eight stages to more than four minutes.

He finished the time trial 53 seconds ahead of Melchor Maui of Spain, the 1991 Tour of Spain champion, and 2:17 ahead of Mikael Zarracina of Spain.

Rominger's overall lead is now a whopping 4:10 over Zaracina and, barring a catastrophe, the Swiss rider appears almost impossible to beat in the 21-day, 3,520-kilometer (2,182-mile) race.

#### Harding: Cheap Fame

PORLAND, Oregon (AP) — About 100 people bought figure skater Tonya Harding's autograph at the Collector Mania show and sale Sunday, with a few paying \$15 for a signature on a 3-by-5 index card, but most waiting for signed 8-by-10 glossy photos that cost \$35 each.

Cindy Starr, an entrepreneur who has an exclusive autograph contract with Harding, who pleaded guilty in March to helping cover up the attack on rival skater Nancy Kerrigan, said that \$35 for a signed photo was actually a steal, because the "regular mail-order price" is \$60.

#### For the Record

FIFA said it would not intervene in the controversy surrounding the decision to order a replay of a vital German league match between Bayern Munich and Nuremberg because of a refereeing error.

The U.S. Supreme Court upheld a state court ruling that the University of Colorado violated rights of privacy by requiring random drug tests for student athletes, trainers, managers and cheerleaders.

Rookie Mike Heise beat Hal Sutton, Tom Kite and Jeff Maggert by three strokes in the Houston Open for his first victory on the PGA Tour.

## A's, Still Last, Beat Yanks And Find Cause to Cheer

The Associated Press

Having the American League's worst record didn't stop the Oakland Athletics from partying.

They ended their second-longest losing streak since moving to the West Coast in 1988 with an 8-1 victory Sunday over the visiting New York Yankees.

This is the first time we've had music in a long time," Troy Neel said above the pounding beat of rock music in the A's clubhouse. "When I came in, I asked where the champagne was. I was waiting for somebody

### AL ROUNDUP

The A's had been waiting since April 17 for their eighth victory of 1994. And it was just two years ago the A's were spraying champagne for something much more significant, their fourth division flag in five years.

But even with Sunday's victory, which halted their longest losing streak since a 14-game slide from July 29-Aug. 12, 1977, the A's are still bringing up the rear in the AL West, baseball's weakest division.

"We're just glad it clicked today," said Neel, who drove in four runs.

Bobby Witt allowed one run over 7½ innings in his best outing of the year and Gerardo Berroa had three RBIs for Oakland.

Witt, who pitched out of trouble in the sixth inning by striking out the side after giving up consecutive singles, took a shutout into the eighth before Paul O'Neill hit a run-scoring double to 6-1 lead over Chicago.

**In earlier games, reported in some Monday editions:**

Twins 7, Blue Jays 3: Scott Leius hit a key home run for the second straight game, this time a three-run shot to cap a four-run seventh with which Minnesota beat visiting Toronto.

Tigers 8, White Sox 5: Kirk Gibson hit a three-run homer out of Tiger Stadium in the third, the drive off Jack McDowell giving Detroit a 6-1 lead over Chicago.

Marlins 9, Reds 4: Brian Anderson hit a two-run double to tie the game in the ninth, then hit a three-run homer in the 10th to give the Marlins a 9-4 win.

Reds 8, Brewers 3: Mark McGwire hit a two-run double in the ninth to give the Cardinals a 7-6 win.

Rockies 6, Cubs 2: Jeff Bagwell hit a two-run double in the ninth to give the Rockies a 6-4 win.

Red Sox 7, Indians 6: Mike Timlin hit a two-run double in the ninth to give Boston a 7-6 win.

Angels 7, White Sox 6: Mike Dunn hit a two-run double in the ninth to give the Angels a 7-6 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run double in the ninth to give Boston a 8-7 win.

Red Sox 8, Indians 7: Mike Dunn hit a two-run

## ART BUCHWALD

## Heard on the Highway

**WASHINGTON** — The electronic highway has many people perplexed. There is no question that the technology is there for us to communicate with anyone in the world in a matter of seconds. But what would you say to a person to this new world, especially when you could easily be talking to someone you don't even know?

"Hello, this is Minnie Broderick. Who is this?"

"It is José Jimenez of Argentina. Are you calling collect?"

"Good, I hate people who make me collect by global communication. What do you want?"

"Nothing, I just wanted to say hello." Minnie said.

"Do I know you?"

"No, we've never met, but now with communications as fast as

they are, everyone knows everyone else. What are you doing?"

"I'm marinating steak," José said.

"Why?" Minnie asked.

"Because for seven generations my family has been marinating steak."

"Now I think that information is worth the call. Do you have any questions for me?" Minnie asked.

"Do you know how to marinade a

steak?"

"I don't even know how to videotape a program off the television," she said.

"Good-bye, I have another global call waiting for me. I'm glad we had this conversation."

Minnie sighed. "So am I. It was very meaningful to me."

"Hello, this is Joe Mackay. I'm on the Super Electronic Highway, exit 12, anyone there?"

"O'Brien of the IRA. Are you calling about the guns?"

"No, I'm not calling about the guns."

"Then get the hell off the phone. I'm waiting to hear about the guns."

"Listen, O'Brien, I barely picked up the phone and I got you in Ireland."

"I'm not in Ireland, I'm in England — underneath Buckingham Palace."

"That's exciting. Would you like to be my superhighway phone pal?"

"I would very much, but right now I have important work to do with some dynamite."

"He has been caricatured in 'The Simpsons.' After his appearance with the Red Hot Chili Peppers on last year's MTV Music Awards (on which he wore a velvet top hat and shorts), Bennett became popular with a new generation of listeners."

His video of "Steppin' Out" — shot in arty black-and-white with up-to-the-minute, jarring camera angles — made it onto MTV rotation.

Later this month, Bennett will join a select group of more likely MTV habitués (including Nirvana, Eric Clapton and Mariah Carey) when he stars in his own "Unplugged" special.

Two years into senior citizenship, Tony Bennett seems poised to become the Sinatra of the slacker set, a crooner with a brand name for the generation without ooe.

What's the appeal? "In general, a lot of people our age are looking for performers who really know what they're doing," said Mark Cooley, a 23-year-old automotive electrical technician, whose girlfriend, Gail Burt, 24, had gotten tickets to Bennett's sold-out concert in Baltimore.

"Most of the young performers just want to get out

## Just One Taker For Top Ticket at Prague Concert

Reuters

**D**RAGUE — The Czech Philharmonic offered special tickets for a charity concert by the opera stars José Carreras and Montserrat Caballe, but even diplomats and foreign companies balked at their price.

The diplomatic corps and selected foreign companies were offered seats for the concert on Sunday to raise money to set up a foundation for blind children.

A spokesman for the Czech Philharmonic said Monday that only one of the 80,000 koruna (\$2,700) tickets being offered had been sold — and that to a corporate sponsor whose identity was not revealed.

Some of those approached for the tickets said the price was out of line in a country where the average monthly wage is less than 7,000 koruna. Regular tickets for the concert, at up to 1,500 koruna, were almost sold out.

"This is Tattle Manufacturers. If you want to order a Tattle, press one. If you want to return a Tattle, press two. If you want to speak to the Tattle Charge Department, press three. If you want to hear the entire works of Stravinsky played by the Tattle Employee String Quartet, push all the buttons on your phone at the same time."

"Listen, I just want someone to talk to."

"There is no one to talk to on this superhighway except Gerry."

"Then let me speak to Gerry."

"Gerry is not at his desk. You can leave a message for him on his voice mail by sticking your index finger down your throat."

## WEATHER

Europe									
Holiday	Today	High	Low	W	Tomorrow	High	Low	W	
Algeria	24/75	14/57	9	CDF	25/71	14/57	9	CDF	
Argentina	21/75	11/52	10	CDF	22/75	11/52	10	CDF	
Austria	21/70	14/57	9	CDF	22/71	14/57	9	CDF	
Bulgaria	26/75	10/51	11	CDF	27/75	10/51	11	CDF	
Spain	21/75	13/58	10	CDF	22/75	13/58	10	CDF	
Sweden	26/75	14/57	9	CDF	27/75	14/57	9	CDF	
United Kingdom	18/64	3/57	9	CDF	19/64	3/57	9	CDF	
Costa Rica	27/80	18/64	9	CDF	28/80	18/64	9	CDF	
Edinburgh	18/64	3/57	9	CDF	19/64	3/57	9	CDF	
France	23/75	11/52	10	CDF	24/75	11/52	10	CDF	
Greece	24/75	11/52	10	CDF	25/75	11/52	10	CDF	
Horizon	10/50	2/52	10	CDF	11/50	2/52	10	CDF	
Iraq	17/65	11/52	10	CDF	18/65	11/52	10	CDF	
Lebanon	24/75	17/52	9	CDF	25/75	17/52	9	CDF	
Portugal	24/75	17/52	9	CDF	25/75	17/52	9	CDF	
London	23/71	14/57	9	CDF	24/71	14/57	9	CDF	
Norfolk	23/75	13/58	10	CDF	24/75	13/58	10	CDF	
Poland	26/75	13/55	10	CDF	27/75	13/55	10	CDF	
Prague	23/71	9/46	9	CDF	24/71	9/46	9	CDF	
Rome	25/73	13/55	10	CDF	26/73	13/55	10	CDF	
Spain	24/75	16/54	10	CDF	25/75	16/54	10	CDF	
Paris	24/75	16/54	10	CDF	25/75	16/54	10	CDF	
Turkey	21/75	12/52	10	CDF	22/75	12/52	10	CDF	
Vienna	20/68	6/43	9	CDF	21/68	6/43	9	CDF	
Yugoslavia	24/75	13/52	10	CDF	25/75	13/52	10	CDF	
Oceania	23/75	11/52	10	CDF	24/75	11/52	10	CDF	
Auckland	23/75	11/52	10	CDF	24/75	11/52	10	CDF	
Sydney	23/75	11/52	10	CDF	24/75	11/52	10	CDF	

## North America

Streets over Italy Wednesday. Shows over the Atlantic and Southeastern Wednesday; or Wednesday night, then turn northward across New England. The storm will bring heavy rain to Boston, moderate rain to the West Coast, and chilly with intervals of sun and chilly with semi-sun from Boston to Washington, D.C. Another storm will bring rain to the West Coast.

**Middle East**

Cloudy with intervals of sun and cloudy, with intervals of rain, in Lebanon, Syria, Iraq, Jordan, and Israel.

**Latin America**

Cloudy with intervals of sun and cloudy, with intervals of rain, in Brazil, Argentina, Uruguay, Chile, Peru, Bolivia, Paraguay, and Venezuela.

**Legend:** a-sunny, po-partly cloudy, c-chilly, sh-showers, t-thundershowers, m-mist, s-snow, h-hail.

All maps, forecasts and data provided by Accu-Weather, Inc., 3-1994

## Zen and the Lasting Art of Tony Bennett

By John Marchese

*New York Times Service*

**N**EW YORK — It seems there is nothing that could keep Tony Bennett from having a happy day. As he strolled through the Baltimore airport to catch an early flight, this man, the sunnier of singers, shrugged off lack of sleep, ignored an oppressively gray morning and belted out "Happy Easter!" to an audience of baggage handlers, desk clerks and surprised travelers as if it were the refrain of his favorite tune.

But as the plane he had boarded climbed through the thick soup of clouds, a flight attendant approached him and said, "You don't remember, but we met about five years ago."

"I was in Florida where she had helped him find a tennis partner when she was working for a resort in Boca Raton.

"I didn't even know who you were then," the young woman confessed. "But now I do, with your comeback."

Tony Bennett had been smiling through her story, but then his eyes widened and his big chin dropped and he seemed to shrink into his seat. A wave of pained impatience rushed across his face. "Comeback," he said in the smoky rasp that is his speaking voice. "What comeback?"

Maybe what we have here is simply a failure to communicate. Perhaps it's semantics — "We don't like to use that word 'comeback,'" said Bennett's 40-year-old manager and son, Danny Bennett.

But through a combination of serendipity and savvy marketing, something is happening to the 67-year-old singer that looks remarkably like a comeback. Except, as Bennett insists, "I never went anywhere."

By doing what he has done for 45 years — "I sing the songs of the halcyon days" — Tony Bennett has won a Grammy the last two years: one for an album of torch and sazon songs dedicated to Frank Sinatra; the latest for "Steppin' Out," a collection of tunes written for Fred Astaire. For the first time since the mid-1960s, when the singer's rich, emotive baritone and sure feel for phrasing could be heard everywhere singing "I Left My Heart in San Francisco," Bennett's records are approaching gold status.

Successfully navigating the shifting currents of hipness, the gray-haired and dapper Bennett has made the transition from icon of Johnny Carson's "Tonight Show" to David Letterman regular.

He had been caricatured in "The Simpsons." After his appearance with the Red Hot Chili Peppers on last year's MTV Music Awards (on which he wore a velvet top hat and shorts), Bennett became popular with a new generation of listeners.

His video of "Steppin' Out" — shot in arty black-and-white with up-to-the-minute, jarring camera angles — made it onto MTV rotation.

Later this month, Bennett will join a select group of more likely MTV habitués (including Nirvana, Eric Clapton and Mariah Carey) when he stars in his own "Unplugged" special.

Two years into senior citizenship, Tony Bennett seems poised to become the Sinatra of the slacker set, a crooner with a brand name for the generation without ooe.

What's the appeal? "In general, a lot of people our age are looking for performers who really know what they're doing," said Mark Cooley, a 23-year-old automotive electrical technician, whose girlfriend, Gail Burt, 24, had gotten tickets to Bennett's sold-out concert in Baltimore.

"Most of the young performers just want to get out



Courtesy MTV For The New York Times

Tony Bennett taping an MTV "Unplugged."

It took a few years, but Danny Bennett got his father a new deal with Columbia, whose management had changed in the years since the break. "I sold them on the idea that there was a catalogue artist, and there was gold in them thar hills," said the son.

"I told him 'Look, marketing isn't a bad word.' Tony wanted to do his music and he had grown up with the premise that you perform for the entire family. He told me, 'I hate the notion of demographics. Why can't I be on MTV?' And he was right." Proving it also took a few years.

The first thing that happened, Danny Bennett said, was that Bob Guccione Jr., the publisher of Spin magazine, signed Tony Bennett and James Brown as the two greatest influences in rock music.

The magazine later did a long, admiring profile of Bennett, and the singer appeared along with the Red Hot Chili Peppers and Ice-T in Spin's swimwear issue, in 1988. "I told Tony that would be a really cool thing to do," the son said.

Around that time, Bennett began appearing regularly on Letterman's NBC show, which was a staple of college students and hip young professionals.

The guest spots showed Bennett's easygoing sense of himself and helped give him the same youth culture imprimatur as the show's more common musical performers.

Recounting the process by which his image was updated, Tony Bennett seems bemused, which is how he often seems. "Danny had me on 'SCTV' with John Candy," he said. "In some skit that was so light it was a wacko! I said, 'What are you doing?' But it gave me a chance to sing 'I Wish I Were in Love Again.' The one thing I insisted on was always doing good songs — something that was timeless."

"Then we started doing Letterman, and I finally said to my son, 'Hey, what is this? I usually do TV special every year.' He told me to trust him. Danny said, 'I see something you